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VOLUNTARY PLANNING BOARD

FIRST PLAN

FOR ECONOMIC DEVELOPMENT TO 1968

February 1966

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NOVA SCOTIA

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FOR ECONOMIC DEVELOPMENT

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Halifax, Nova Scotia
February 11, 1966

The Honourable G. I. Smith
Minister of Finance and Economics
Province of Nova Scotia
Halifax, Nova Scotia

Dear Mr. Smith:

I have the honour to present to the Government the First Plan for the economic development of Nova Scotia by the Voluntary Planning Board.

Late in 1963, when our Board was established, little was known about preparing a plan with the active participation of the population. We, as a group of men who had little or no experience in such matters, concentrated our early efforts on organizing voluntary committees to study the province's economy. Existing sources of information were thoroughly exploited and several special studies had to be carried out for the purpose of completing the basic information. This phase of the work was very tedious, particularly for those who wanted immediate results for their efforts.

Our First Plan is in accordance with the strategy for the province's economic development as outlined in our Progress Report which was presented to the Government in 1965. This Plan emphasies the general policy for economic development whereas the Progress Report embodied detailed sector plans. A series of reports will be published this year presenting detailed plans for each of the sectors. The plan for the secondary manufacturing sector is now drafted and will be published next month. We also propose to publish reports on special studies that we commissioned during the preparation of the First Plan.

In the Appendix we have included a report from the Board's special committee on coal, an interim report from the Education Advisory Council and also a report pertaining to the steel industry in the province.

The Board has given much consideration to the concept of concentration which is brought to the reader's attention in the Preface and is more fully described in Chapter III. It is of fundamental importance to the economic development of the province that all of us, people and government accept the concepts of industrial development centres, service centres, and resource centres and that policies for their development be formulated and applied accordingly. Only through concentration of economic activities can the rate of development in the province be substantially accelerated. Difficulties and controversy, if any arise from this, will have to be faced by all of us, including the Government, for our own good.

The Board respectfully requests the concurrence of Government with the programmes, recommended in this Plan, and also requests that it give immediate attention to their implementation as outlined.

During the inter-plan period the Board is determined to play its part in the implementation of policies and also watch over the attainment of its targets and objectives.

The Board would suggest that the organization for the production of this plan has been unique. It represents voluntary participation and sincere cooperation from a great many persons representing all geographic and occupational segments of the provincial economy. The Board would like to express appreciation to all of these people for their contribution.

Support and interest is now established. With this cooperative planning being continued, it is clear and evident that accelerated economic development will not only be feasible but will result in a substantial improvement in the province's amenities.

Respectfully submitted,

A. R. Harrington

Chairman
Voluntary Planning Board

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PREFACE

Aims of Economic Planning

The general goal of voluntary economic planning is to improve the standard of living of the people of Nova Scotia. To this end, the Voluntary Planning Board has formulated a specific short-term strategy for improving manpower utilization through increasing employment opportunities, and has established goals for a faster rate of growth in the provincial economy.

The ultimate aim of economic development in Nova Scotia should be to provide the kind of economic system in which all Nova Scotians can participate by making contributions based upon their abilities, receiving in return an equitable share of the benefits which result. Such an economy would also provide the necessary scope for Nova Scotians to pursue the challenges confronting them in the political and social, as well as the economic, spheres.

Considering these goals, the Board[1] early in its preparation of an overall plan for the period 1965 to 1968, set out the following economic goals thought to be appropriate for Nova Scotia:

1. the highest possible rate of growth with an equitable distribution of per capita income;
2. the highest possible level of employment;
3. the achievement of the highest possible increase in productivity;
4. the development of all the resources of the province to the highest point of efficiency; and
5. the achievement of a climate, both economic and political, that will encourage the development of new industries and the expansion of existing industries.

The Economic Council of Canada in its First Annual Review, has stated that our national economic objectives are full employment, a high rate of economic growth, reasonable price stability, a viable balance of payments position and an equitable distribution of rising income.

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[1] "The Board", unless otherwise specified, refers to the Nova Scotia Voluntary Planning Board.

It is not surprising that the national economic objectives set by the Economic Council of Canada and those set by the Voluntary Planning Board are similar. Indeed, it would be surprising if two organizations engaged in economic planning within a federated nation arrived at different general objectives, as the economic ills that are applicable to the nation are also applicable to the nation's parts—even though the magnitude of the problems is dissimilar.

Once general economic goals are set it becomes necessary to consider, in a general way, the means by which they are to be attained in the long run. The determination of such strategy is a step which must be taken before the content and scope of more specific plans, covering shorter and more immediate periods, can be considered.

It is first necessary to consider what structural changes in the economy should be encouraged. The Board has decided to promote the achievement of the most efficient economic structure possible. In other words, competitive and self-supporting activities in all sectors of the provincial economy must be encouraged. This approach seems most likely to achieve the provincial economic goals. A corollary of this approach is that planning must encourage the ultimate termination of economic activities which are obsolete or otherwise incapable of becoming competitive.

Such drastic change cannot be brought about immediately and planning must include policies and measures to ensure that such structural changes take place with a minimum of hardship for those involved.

With all this in mind the Board has attempted to formulate an overall long-term development strategy to guide the preparation of specific plans covering shorter periods. Evaluation of the long-term structural changes has proceeded concurrently with the preparation of the First Plan. The Board has not had sufficient time to evaluate specific structural changes which may be required and it has had to be content with indicating the general course which such changes should take. Generally speaking, the structural changes will consist mainly of greater expansion in the size and importance of secondary manufacturing and the service industries.

In preparing the First Plan for Nova Scotia the Board found it necessary to choose from its list of five economic goals those which should receive most emphasis during the initial planning period. Nova Scotia has long been plagued with an unemployment rate higher than the national average rate, and like the other Atlantic Provinces, has a disproportionate share of underemployment and part-time, often subsistence, economic activities. The relative lack of permanent, full-time jobs is a feature of the provincial economy. The obvious corrective action would be the creation of new jobs to reduce Nova Scotia's labour surplus.

However, increased employment achieved indiscriminately would not constitute a worthwhile contribution to economic improvement. If gains are to be real, it is necessary that most new jobs created should become permanent. The Board therefore considers that new jobs should be encouraged and developed only in economic activities which are, or can become, efficient and self-supporting.

In addition to the direct creation of new jobs in efficient economic activities, there are proposals which should also be included in the First Plan because they will assist in laying the groundwork for further economic improvement after the First Plan period.

Objectives for First Plan Period

The Board has selected, in harmony with its longer-term goals, the following specific objectives for the 1965-68 period:

1. an increase of 3,400 new jobs annually, or a total increase of 13,600 new jobs over the four-year planning period;
2. an annual growth rate in new capital investment of 9.2 per cent to a level of $380 million in 1968;
3. the establishment and expansion of efficient and self-supporting economic activities to provide new employment; and
4. the providing of a suitable foundation during the 1965-68 period for future growth and development.

Achievement of these objectives during the First Plan period would also ensure substantial progress toward the ultimate attainment of the five economic goals. For example, the creation of new productive employment on the scale suggested would, in itself, increase per capita income.

Similarly, the creation of new, full-time productive employment should contribute to a rise in the general productivity of the provincial economy. At a later stage, in an environment of more rapid economic growth in the province, planning should include more specific measures to improve the productivity of certain existing industries.

This approach to the First Plan should also result in a further improvement in Nova Scotia's economic climate and thus encourage the development of new industries and the expansion of existing ones. The emphasis on encouraging efficient enterprises in the First Plan period, and the laying of suitable additional groundwork to ensure more progress in this direction as later plans are executed, are intended to be necessary first steps in this direction. It will require a large increase in the rate of new capital investment for the provision of new employment, the capital intensity of present employment, as well as the provision of an expanded infrastructure.

The target of 3,400 new jobs each year during the 1965-68 planning period represents a formidable challenge for Nova Scotia. During the four-year period 1960 to 1964, the economy has been providing an average increase in employment of 2,100 jobs per year. Thus the employment target for the next four years calls for about 1,300 additional new jobs to be created each year. Moreover, this estimated need for new employment opportunities is predicated on the assumption that recent levels of out-migration will be maintained through the planning period. If the rate of out-migration were to decline, the number of new jobs required to achieve the employment target would be correspondingly increased.

Changing Structure of Individual Sectors

Certain sector structural changes have already become evident to the Board upon examination of committee reports and plans. Present trends in the primary resource industries can be expected to continue. Capital will be substituted for labour and output will continue to rise. There will be employment decreases in primary agriculture and primary fishing. Mining employment is expected to decline. In forestry, some increase in woods employment is likely to result from the expansion taking place in pulp and paper manufacturing. On the whole, a slight decline in employment in these primary industries is expected during the 1965-68 period.

The structural changes taking place in primary activities result from current developments in science and technology. Such changes, with which Nova Scotian industries must keep abreast if they are to survive in an increasingly competitive national and international environment, should cause rising productivity, greater efficiency and higher income for those engaged in the primary phases of the resource sectors. Planning must ensure that these structural changes proceed as smoothly as possible and must also attempt to keep any resulting social dislocation at a minimum.

Primary manufacturing may be defined as all those processing industries which are based directly upon the natural resources of the province. During the first planning period, output of primary manufacturing will rise, most notably in pulp and paper, and to a lesser extent in fish and food processing. On the whole, a minor increase in primary manufacturing employment should be expected during the 1965-68 period.

A principal goal should be a higher level of income for those employed in either primary industry or primary manufacturing. This will be achieved in the long run by providing better resource information, ensuring better resource utilization and by a greater adjustment of the industries involved to technological change.

The Board is convinced that secondary manufacturing must play a key role in the future economic development of the province. Every opportunity must be seized to increase productive employment through the expansion of existing secondary manufacturing industries if the challenging employment targets are to be attained. Also, new dynamic industries of this type must be established if the province is to expand its narrow manufacturing base. Because the existing base is composed of only a limited variety of rather specialized industries, new industry is also needed if the employment targets are to be reached.

The Board considers that a reasonable amount of industrial concentration is needed to create the economies of industries agglomeration that will attract modern manufacturing industries. The largest urban areas in Nova Scotia today contain cornerstone secondary manufacturing industries and appear to have potential for attracting additional industries of this type. Such industries are ones that use large quantities of manufactured components in their own manufacturing operations, but choose not to make such components themselves. An example would be a major automobile assembly plant. Smaller urban areas have also enjoyed relative success in attracting secondary manufacturing industries, and have a particular appeal to certain types of industry and their potential for general expansion must not be overlooked. They should be encouraged to establish industrial planning commissions in co-operation with Voluntary Economical Planning and the proposed economic research unit.

Considering the above, the following recommendations are an indication of the Board's concensus of how, if adopted, increased employment in secondary manufacturing can be achieved:

1. the largest urban areas should be designated as industrial-development centres, to be regarded as desirable locations for secondary manufacturing industries and particularly cornerstone secondary manufacturing industries;
2. the Atlantic Development Board should be requested to establish a capital grant fund, to be used to offer equivalent financial incentives in the Halifax-Dartmouth Area as now available in all other areas of Nova Scotia through the Area Development Agency;

3. a special economic research unit should be established as a government service having the immediate priority of determining the type of industry to be attracted to the industrial development centres, the findings of such research to be turned over to Industrial Estates Limited; and

4. Industrial Estates Limited should continue to play a promotional role, should sustain its endeavours to attract industry to the entire province, especially to the industrial development centres, and should substantially increase its staff so that its remarkably successful efforts to date may be maintained and reinforced.

Growth in the supporting sectors of electric power, construction, and transportation and communication is linked to the activities in the resource and manufacturing sectors of the economy. The Board does not anticipate that the expected growth in secondary manufacturing employment will result in matching employment growth in the supporting sectors. Capital substitution for labour is currently and will continue to influence labour demand in these sectors, as in the resource sectors. Employment trends, then, indicate only a modest expansion during the period 1965-68.

The policy goal for the supporting sectors has to be one of improved efficiency within the provincial framework, involving the maintenance of relative competitive positions by utilization of the latest technological advances.

The services sector is the other major area in the provincial economy where significant increases in employment can be expected during the period of the First Plan. The Board did not have the benefit of a segment and sector committee organization in its consideration of this important grouping for the preparation of the plan.

A series of exploratory studies were commissioned for the purpose of clearly defining the significance and heterogeneity of the services industries in Nova Scotia before engaging the sector in formal planning. Evidence arising from the studies indicates that of all the included "industries", health and education are two in which considerable expansion in employment will occur during the planning period—health, as a result of the implementation of the recommendations of the Royal Commission on Health Services and the effects of them on provincial health services, and education through an increased emphasis of both academic and vocational training.

In addition, expansion of the province's efforts in tourism will be reflected in increased employment in retail trade, accommodations and food services.

Generally speaking, the employment increases in all the services sector should be of sufficient magnitude to meet the employment objective set by the Board for these industries.

Institutional Factors

In addition to matters of importance to particular sectors, the Board has considered a number of general matters related to the economy as a whole. These affect, in varying degrees, all sectors of the economy.

The pattern of historic settlement and the lack of a large industrial base have resulted in a population spread too thin to enhance economic development. The Board has opted for the creation of industrial development centres with the idea of concentrating industry, and as a result of such concentration, to draw the unemployed and underemployed out of marginal economic activities and sparsely settled areas into these centres. The Board, at the same time, is considering two additional concentration concepts, service centres and resource centres. Service centres are regional focal points for social capital facilities such as schools and hospitals for training, transportation and shopping facilities, and for a wide variety of special services of a type found only in larger urban communities. Resource centres are desirable locations for primary manufacturing industries based on the exploitation of specific natural resources. Neither of these two concepts has been investigated in sufficient depth at this time to permit further description, however, research must continue to develop a plan outlining how all communities in the province can participate in economic growth so that the standard of living in the whole province may be improved.

The Second Annual Review of the Economic Council of Canada places great emphasis on the role education must play in the future growth of the Canadian economy. The Voluntary Planning Board is in complete agreement with the Council in this matter. The Board is convinced that higher levels of education and technical training for Nova Scotians are an essential investment and a necessary condition for the achievement of the long-term goals that it set for the provincial economy. Accordingly, an Education Advisory Council has been established to carry out an exhaustive analysis of the province's present educational system and to present to the Board its assessment of the implications of the plan for education and technical training in Nova Scotia. The Council has not yet finished its analysis, but has filed an interim report (Appendix D) on its findings to date. The Council has observed that:

"In the past, the primary and secondary schools and the universities of the province have produced a more than adequate number of professionally trained people. Many of these highly educated personnel have migrated from the province due to the lack of local opportunities. At the same time, it is evident that the province has not produced sufficient numbers of skilled and well-trained technicians and tradesmen to meet the demands of a growing industrial economy. While increased emphasis on technical education and training can provide, in the future, an adequate supply of qualified personnel in this category, salaries competitive with those prevailing elsewhere must be offered to prevent the inevitable drain of those essential human resources from the province."

These preliminary findings have prompted the Council to recommend:

1. that the overall system of education in the province should be planned to serve, among other things, the needs of the provincial economy. It should be of an open-ended nature, so that every opportunity is offered to the students, at all levels and at all ages, to achieve, either by formal, full-time courses or by continuing educational methods, the highest possible levels. Increased attention should be given by all educational institutions for the provision of extension courses on both a full-time and a part-time basis; and
2. that without decrying the splendid efforts of the Vocational and Technical Division of the Department of Education, it is evident that this Division suffers from a lack of knowledge of the detailed needs of our existing and planned secondary industry. Additional staff should therefore be provided so that a comprehensive study can be made of the skills required by the economy in the various areas of the province. There is need for information concerning the human resources in each area and their potential in terms of the various levels of technical and technological skills required by industry.

Monetary policy of the Federal Government has considerable effect on the growth of the provincial economy. Periods of general national monetary restraint do not recognize regional differences in borrowing patterns and, as a consequence, place businesses in a province like Nova Scotia under greater hardship than businesses in other provinces. Therefore, the Board recommends that:

> in periods of national monetary restraint, and in the absence of excessive aggregate demand pressures in Nova Scotia, the Federal Government should make an effort to exclude the province from the full force of credit restriction by:
>
> (a) having the agencies of the Federal Government which provide credit, such as the Industrial Development Bank and the Central

Mortgage and Housing Corporation, apply restrictive policies less severely in the province; and

(b) encouraging the commercial banks to exempt the province from the full force of restriction on credit availability.

Defence plays an enormous role in Nova Scotia's economy and the Board is consequently concerned about the implications of the White Paper on Defence on the defence establishment in the province. It therefore recommends:

that the Provincial Government request the Atlantic Development Board, in co-operation with the Department of National Defence, to examine the implications for the province of the new defence policy and to suggest means of offsetting any detrimental effects which may appear as a result of the examination.

The Board believes that freer trade in the whole North Atlantic area would be of very substantial benefit to the economy of Nova Scotia. Present tariff barriers are thought by the Board to restrict prospects for expanding the province's secondary manufacturing base. It therefore recommends:

1. that the Provincial Government make representation to the Federal Government urging negotiations and implementation of agreements with the United States similar to the recent agreement respecting automobiles and original automobile parts but concerned with commodities which are now or may be of particular interest to Nova Scotia; and
2. that the Provincial Government make representation to the Federal Government to ensure that in all future trade negotiations very careful consideration be given to attempting to gain concessions which will permit the freer flow of all products to foreign markets, which in turn will allow further processing of these products in Nova Scotia.

To speed up the flow of goods and to improve the efficiency of the transportation network, the following are recommended:

1. because of the increasing importance of motor carriers in the transportation of materials and finished goods, the Provincial Government should initiate a plan of highway construction to provide the province, in a reasonable period of time, with an adequate system of all-weather trunk highways . . . ; and
2. since in the foreseeable future a relatively large proportion of the province's manufacturing output is likely to depend on markets in the central part of the country, the Provincial Government, through the Maritimes Transportation Commission and by other

appropriate means, should continue to maintain a critical examination of the adequacy of transportation facilities to these markets and of transportation costs and make recommendations thereon in the light of such examination.

Implementation

The last and undoubtedly a most important feature of the plan is the means by which it is to be brought into effect. Implementation of the Board's recommendations is a responsibility of both the private sector and public sector in Nova Scotia to ensure the attainment of the targets during the First Plan period, and to lay suitable groundwork for succeeding plans.

The Voluntary Planning Board, itself, has the responsibility under the Voluntary Planning Act of "watch (ing) the performance of the sectors in carrying out their plans . . . ," and it interprets this directive to mean the assumption of the co-ordinating role for the private sector in reaching objectives.

The public sector's efforts are split into two parts. The first is the purely Provincial Government responsibility of carrying out those recommendations directed to it, and the second is the co-ordinating role of all regional development agencies in their Nova Scotia activities.

In regard to the former the Board recommends:

that a committee composed of three cabinet ministers should be formed and charged with advice to the Provincial Government on economic development matters and implementation of the provincial plan. Specifically, the responsibilities of this committee would be:

(a) to expedite the implementation of the approved recommendations;

(b) to ensure that the general economic strategy agreed upon in the plan is borne in mind in the establishment of new government policies and procedures; and

(c) to advise the Provincial Government accordingly when it is clear that priorities must be set in putting these recommendations into effect.

One organization concerned with inter-provincial and regional co-operation within the Atlantic Provinces is the Atlantic Provinces Research Board on which are represented the Atlantic Development Board, the Area Development Agency and administrators of the Agricultural Rehabilitation and Development Act. It was established to co-ordinate the programme of regional economic research, to prevent duplication in the economic research effort and to initiate research of general concern to the four provinces. The Atlantic Provinces Research Board could also perform a valuable function of co-ordinating economic development work in the Atlantic region, and therefore the Voluntary Planning Board recommends that the Provincial Government request the Atlantic Provinces Research Board to accept this additional responsibility:

> to assess the policy implications of the various economic research studies and to transmit to the relevant policy-makers the conclusions resulting from these assessments.

The Voluntary Planning Board would be remiss if it did not also consider the professional staff framework of the Provincial Government upon which it now depends for statistical and analytical information and upon which it will depend for even more specialized research and advice in the carrying-out of the recommended programmes. It feels that the professional staff efforts must be co-ordinated if this is to be done in the most efficient manner, and recommends in a general way that the Provincial Government give consideration to integration of those staff functions concerned with economic planning and industrial development, other than Industrial Estates Limited personnel, within one governmental organization.

I

THE EVOLUTION OF VOLUNTARY ECONOMIC PLANNING IN NOVA SCOTIA

In the early nineteen sixties, the Government of Nova Scotia decided that the problems of economic growth in the province must be approached in a more comprehensive and systematic way. It was clear that this would require a form of economic planning based on the co-operation of government, business and labour—a form of planning that was voluntary in that representatives of the private sectors of the economy would be invited to work with staff provided by the government to fix targets for the provincial economy, to recommend methods for attaining these targets and to participate in the process of implementing the plan.

The arguments for such a system of economic planning were compelling:

1. it was in keeping with democratic traditions;
2. it would educate the people of Nova Scotia regarding their economy and its problems;
3. it would fix policies and priorities so that scarce resources could be best utilized to provide the maximum contribution to economic growth; and
4. it would promote co-ordinated action by key groups in the economy.

The Government of Nova Scotia was well aware of the limited powers of a provincial government to influence the course of the province's economic development. It was determined, however, to use such powers as it had in the most effective way possible. Moreover, such a system of planning would provide insights and point up problems to other levels of government and would thus assist them in discharging their responsibilities relating to economic growth.

While the economic powers of a provincial government are limited, they can, in the long run, have a significant effect on the rate of economic growth. Education is a provincial responsibility and it is realized that investment in people is a most important investment in the growth process. A provincial government has extensive powers to control the terms and conditions under which its natural resources are utilized. It has great powers to influence the growth of power and transportation systems within the province. By offering incentives through its development agencies, it influences the changing structure of the provincial economy.

The process of voluntary economic planning enables representatives of the private sector and government officials to engage in an exchange of ideas regarding the economic problems of Nova Scotia. By providing the government with information regarding the most desirable course of future development, by establishing targets and by providing additional channels for co-operation, the private sector assists the Provincial Government in using its economic powers with increased precision and effectiveness.

The Provincial Government, in turn, has been willing to seek the advice of those representatives of the private sector before enacting policies that either directly or indirectly affect the provincial economy.

The basic principles of voluntary economic planning provide that representatives of the private sectors of the economy participate in the planning process on a purely voluntary basis and that the groups that co-operate to formulate a plan also co-operate to implement it. The segment and sector committees and the Nova Scotia Voluntary Planning Board consist mainly of representatives from the private sectors, with government representatives serving only in sufficient numbers to supply necessary information on government organization and programmes.

Most of the private members of the voluntary planning organization are drawn from business and the trade unions. It is estimated that approximately two thousand people have been involved in or have attended planning conferences in the process of preparing the First Plan.

In 1963, the Legislature amended the Public Service Act. This amendment created a new department called the "Department of Finance and Economics". The new department was given all the jurisdiction formerly held by the Provincial Treasurer, together with the economic jurisdiction contained in the Statutes of Nova Scotia, 1963, Chapter 12, the Voluntary Planning Act.

The Act provides for:

1. a provincial Board or Council at the top to be known as the Nova Scotia Voluntary Planning Board;
2. a committee concerned with each sector of the provincial economy, i.e., Agriculture Sector Committee, Forestry Sector

Committee, etc., responsible to the Voluntary Planning Board; and

3. a committee, or sub-committee, for each homogeneous portion or segment of each sector, i.e., Livestock Segment Committee, etc., responsible to the appropriate Sector Committee.

The organization of Voluntary Economic Planning and its composition is set out in Appendix A.

A committee for each segment in each sector is selected at the sector organization meeting by those in attendance at the meeting. Members of the government service serve on segment committees for the purpose of liaison, supplying information and performing secretarial functions. They are drawn from the department of government which is most closely related to the activities of the particular sector involved.

To maintain continuous liaison from segment committee to the Voluntary Planning Board, the chairman of each segment committee is a member of his sector committee, and the chairman of each sector committee is a member of the Board.

The Voluntary Planning Act gives the Board the authority to:

1. co-ordinate the plans of the various sectors of the economy and, based on these plans, produce a plan for the whole economy of the Province for recommendation to the Minister as one which the Government might adopt;
2. collect, collate and disseminate information relative to the economy of the Province;
3. advise the Government on Provincial ecomomic matters;
4. watch the performance of the sectors in carrying out their plans, and stimulate and encourage the carrying out of such plans;
5. look ahead to envisage further plans which should be made, and provide for continuity of planning for the future, both short-range and long-range; and
6. conduct or arrange to be conducted such studies and investigations as the Governor-in-Council or the Minister requests.

The Board may:

1. accept, hold and apply grants and gifts made to it to assist it in performing its functions or duties; and
2. with the approval of the Minister, engage or retain persons to undertake studies and investigations of the economy of the Province.

Secretaries for sector committees are provided from the permanent staff of Voluntary Economic Planning, a Division of the Department of Finance and Economics. The director of the permanent staff of Voluntary

Economic Planning is the secretary of the Voluntary Planning Board. Most of the detailed work is done by this small permanent staff under the direction of the Voluntary Planning Board.

The members of the permanent staff have extensive responsibilities. They carry out research and provide statistical and other analytical information for the Board and all its committees, they draft plans for consideration and they provide liaison both within the Voluntary Economic Planning organization and between the organization and other bodies concerned with economic growth.

In regard to economic planning, it has been said that "the most important alternative may be formulated as the choice between 'starting from below' and 'starting from above'." The Nova Scotia system of voluntary economic planning, "starts from below". Segment committees assess their segment and its problems and report to the relevant sector committee. Sector committees assess their sector, consider segment reports in detail and prepare a sector plan which is presented to the Voluntary Planning Board. The Board has the final responsibility for preparing an overall plan covering all sectors for presentation to the Provincial Government. The Board has also created five advisory councils to assist it on general factors affecting the whole economy.

The system of "starting from below" is in sharp contrast to most systems of economic planning that "start from above". For example, the French system of economic planning "starts from above" in that the government decides the broad objectives to be achieved by the economy in the planning period and asks sector representatives to report upon the implications of these objectives for the industries that they represent.

It has been stated that most, if not all, economic planning schemes have developed on a trial and error basis. The planning effort in Nova Scotia is not unique in this respect. In the "starting from below" approach used, a certain time period was required to establish the planning organization, create the procedures, undertake research and generally to inform those in the planning operation of the nature of their tasks.

The limitations of the first plan are derived from the limitations of the planning operation to date and, in time, the process of planning should become more precise and the plan itself should possess an increasing degree of sophistication. In a sense, the first plan represents the rough foundation upon which future plans of a more comprehensive, detailed and integrated nature will arise.

Now that the planning structure is in being, the development of the second and subsequent plans will inevitably evolve in a manner rather different than the first. The existing structure will allow a two-way flow.

Active segment and sector committees will continue to present their specific problems and recommendations to the Board as they have done in the past. But, at the same time, the structure will allow the Board to present their concepts to these committees for their consideration.

Indeed, the Board, with the experience of the first plan behind it, will be able to give even more guidance and direction for the development of future plans to the entire planning organization of segment and sector committees.

II

THE ECONOMY PAST AND PRESENT

HISTORICAL PERSPECTIVE TO 1947

The fisheries provided the initial basis of development of the Nova Scotia economy, and fishing remained the main occupation until late in the eighteenth century. However, during the last quarter of that century rapid developments took place in forestry, ship-building and commerce, which, together with the fisheries, produced a wider economic base. This 'Golden Age" lasted almost a century during which time Nova Scotia became integrated in a pattern of international trade under British sponsorship and protection.

After the removal of British preferences, expansion continued in Nova Scotia for roughly another decade based on the increased demand for Maritime products in the United States resulting from the Civil War and the Reciprocity Treaty. While the removal of British preferences altered the trading system in which Nova Scotia was so well integrated, changing technology resulted in the gradual displacement of wooden sailing ships.

By the time of Confederation the economic system had been basically changed. The hope of access to the markets of Ontario and Quebec for Maritime-manufactured products, held out by pro-Confederation spokesmen, failed to materialize. By 1879 Canada had adopted three policies aimed at establishing an economic and political identity—railway construction, western settlement and tariff protection. The policy of transcontinental railway construction stimulated the development of Nova Scotia's coal and iron and steel industries, but after the railway construction boom ended these activities settled back to a much slower rate of development.

In the present century other types of economic activity, mainly based upon natural resources, were established in Nova Scotia and many adjustments took place as a result of integration with the Canadian economy. However, these did not occur on a scale adequate enough to restore the province to the same level of prosperity that had been enjoyed during the first half of the nineteenth century. The special conditions of the two world wars brought considerable stimulus to some Nova Scotian industries, but in many cases the effects were mainly temporary, and at the end of World War II the economy of the province was less developed and less diversified than that of the national economy.

OVERALL TRENDS IN POST-WAR PERIOD

The post-war period has been one of continuing economic growth in Canada and all parts of the country have shared in this growth in varying degrees. The increase in economic activity in Nova Scotia has been substantial. Population increased between 1947 and 1964 by about 24 per cent, an average of between 8,000 and 9,000 persons per year. Total personal income was almost two and one-half times as high in 1964 as in 1947, and per capita personal income doubled during the period. The level of new investment in 1964 was almost two and one-half times that of 1947.

However, growth in the Nova Scotia economy, although significant, has not been as pronounced as in the national economy. Canada's population increased at a greater rate than Nova Scotia's, so that the province's population dropped from 4.9 per cent of the Canadian total in 1947 to 4.0 per cent in 1964. This was largely because of the small number of immigrants to Canada who settled in Nova Scotia and because of the emigration of many Nova Scotians. In the 1951-61 decade there was a net out-movement of population from Nova Scotia of nearly 34,000.

At the same time, the population of the province has remained rural to a greater degree than in Canada generally. In 1961, Canada's population was about 70 per cent urban while Nova Scotia's population was 54 per cent urban. This rural-urban pattern of population distribution was mainly the result of a greater concentration in the rural non-farm category in Nova Scotia (38 per cent) than in Canada (19 per cent).

Although over the period 1951 to 1961 the provincial labour force rose by 7.4 per cent, as a proportion of the total Canadian labour force, it declined from 4.2 per cent to 3.7 per cent. During the same period the participation of Nova Scotians in the labour force was lower for both males and females than the national average, reflecting the basic differences in the structures of the two economies.

Under these conditions it was not surprising that total personal income in Nova Scotia declined from 4.0 per cent of the Canadian total in 1947 to 3.0 per cent in 1964. On a per capita basis, Nova Scotia's personal income has remained at approximately three-quarters of the Canadian average. The absolute differential between Canadian and Nova Scotian per capita personal income widened from $157 in 1947 to $459 in 1964. It is interesting to note that while total personal income, including transfer payments, rose in Nova Scotia from 1947 to 1964 by 151 per cent, personal income, excluding transfer payments (that is, income accruing to Nova Scotians as a result of their ownership of the factors of production), increased by 140 per cent.

While new investment in Nova Scotia increased by 132 per cent between 1948 and 1964, new investment in Canada increased by an even higher amount of 251 per cent. The long-term trend for the same period indicates a continuation of this unfavourable relative position between Nova Scotia and Canada. On a per capita basis, new investment in the province has fluctuated between 55 per cent and 70 per cent of the Canadian average.

STRUCTURE OF THE ECONOMY

In this section the structure of the economy of Nova Scotia is compared with Canada's, during the period 1951 to 1961, for labour force. For the period 1947 to 1962 the commodity producing industries' output (net value of production) are compared[1,2]. Using these data allows a comparison of change in the structure of the provincial economy over time related to the change taking place in the structure of the national economy over the same period of time. Data for these indicators are also given in bar chart form, output in Figure 1 and labour force in Figure 2.

During the post-war period, the Nova Scotia economy together with that of Canada, has tended to become less dependent on primary extractive industries. In 1947, primary agriculture, fishing, forestry and mining accounted for 37 per cent of total output and in 1951 for one-quarter of the labour force in Nova Scotia. By the early sixties, these primary activities had become relatively less important to the economy, contributing 27 per cent to total output (1962) and accounting for 14

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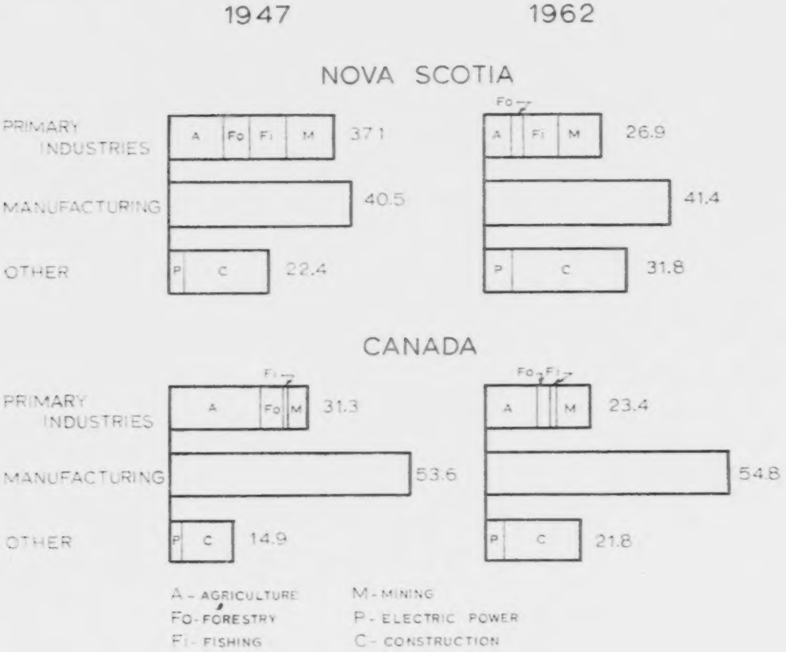
[1] All output comparisons are in terms of current dollars which do not reflect inflationary trends. Use of current dollars was necessary because no reliable data was available to reduce changes in output to real terms on a provincial basis for specific industry groupings.

[2] Numerical values used in the remainder of this chapter are also given in tabular form in Appendix A.

per cent of the labour force. Nationally, the relative importance of primary extractive operations fell from 31 per cent to 23 per cent in terms of total output and from 21 per cent to 14 per cent in terms of labour force. Thus, Nova Scotia was somewhat more dependent on primary extractive industries than was the national economy at the beginning of the post-war period and remains so in regard to output in more recent years.

FIGURE 1

PERCENTAGE DISTRIBUTION OF OUTPUT
COMMODITY PRODUCING INDUSTRIES



NOTE: Based on net value of production in current dollars

SOURCE: Based on data from the Dominion Bureau of Statistics

Manufacturing is substantially more important to Canada's economy than it is to Nova Scotia's. In 1947 and 1962 manufacturing accounted for about 55 per cent of total industry output in Canada and for about 41 per cent in Nova Scotia. However, the labour force in manufacturing declined from 26 per cent to 22 per cent of the total labour force between 1951 and 1961 in Canada, and from 17 per cent to 14 per cent in Nova Scotia. On a per capita output basis the real difference, structurally, was more evident in manufacturing between the national and provincial economies. In 1947, manufacturing output per capita in the national economy was $342 increasing to $632 in 1962. During the same period, manufacturing output per capita in Nova Scotia increased from $138 to $234. The lack of manufacturing development reflects the disadvantages Nova Scotia faces in producing goods for the Canadian market.

The position of manufacturing in relation to the provincial economy is further demonstrated by the considerably smaller proportion of total new manufacturing investment in Nova Scotia, compared to that of Canada. It has only been in the last five years that new investment in provincial manufacturing industries has approached the national proportion. (See Figure 3).

Construction plays a more important role in the economy of Nova Scotia than it does in the Canadian economy. In 1947, about 19 per cent of the province's total industry output resulted from construction activity, while in Canada construction was responsible for 12 per cent of total output. By 1962, these proportions had risen to one-quarter in Nova Scotia and 18 per cent in Canada. The proportions of total labour force employed in construction activity were similar and remained approximately the same over the period .

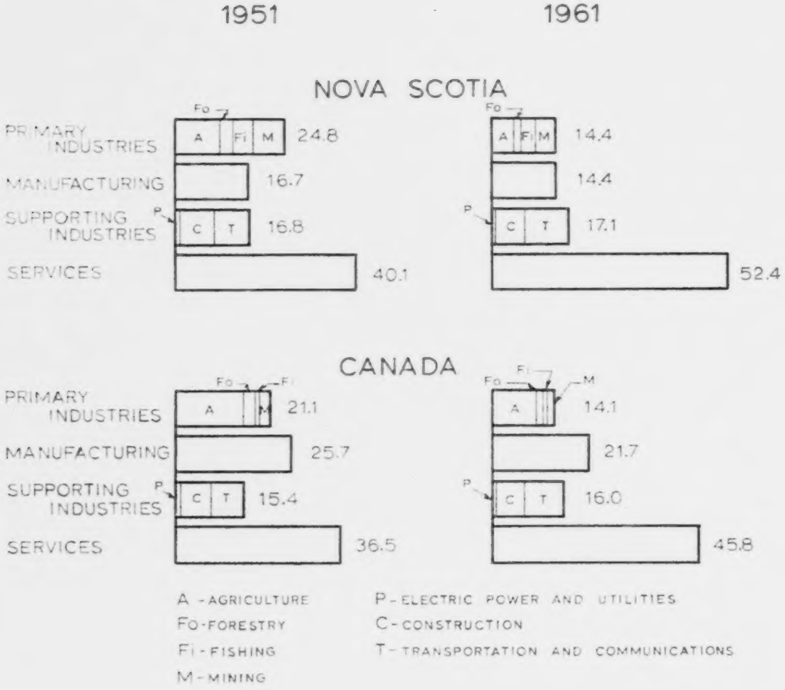
The dependence of the national and provincial economies on transportation, communication and storage is also similar in terms of labour force.

Nova Scotia depends relatively more on employment in the services sector and the degree of dependence increased during the 1951 to 1961 decade, due largely to an increased concentration of defence. In 1961 about 52 per cent of the Nova Scotia labour force, and about 46 per cent of the Canadian labour force, was employed by the services sector. Defence employment over the same period increased in Nova Scotia by 78 per cent.

In summary then, the economy of Nova Scotia is thus more dependent on the extraction of primary products, on construction activity and on the services industries—particularly defence—than is the economy of Canada. During the last four years new investment in all types of

FIGURE 2

PERCENTAGE DISTRIBUTION
TOTAL LABOUR FORCE



SOURCE: Based on data from the Dominion Bureau of Statistics.

manufacturing has been increasing more rapidly, and, as a percentage of total new investment, has been approaching a point similar to that which exists in Canada. If this continues, this trend can be expected to produce changes in the structure of the provincial economy at a faster rate than during the preceding decade.

Resource Sectors

In the resource sectors of the Nova Scotia economy—primary agriculture, fishing, forestry and mining, and the processing of the products of these industries—there has been a significant decline in the labour force during the post-war period, falling roughly by one-third since 1951.

The decline in the agricultural labour force has been the most pronounced, both absolutely and relatively. In spite of a slight increase in output, the agricultural labour force has declined approximately by one-half over the period 1951 to 1961. This has been accomplished by an increased output per worker employed in agriculture, and has been accompanied by a decline in the number of farms, particularly of smaller farms, an increase in farm size and an increase in use of capital per worker.

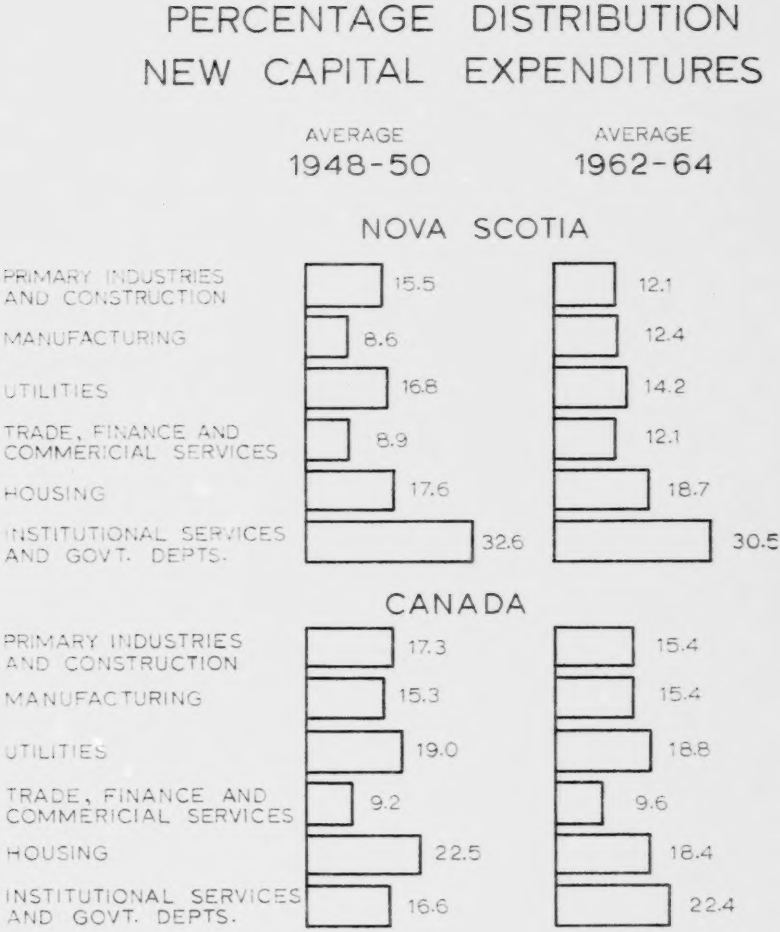
Output in primary forestry production has remained fairly constant while the labour force engaged in the primary forest industries has declined. This decline has been in the order of approximately 40 per cent over the period 1951 to 1961. In the primary fisheries while there was a decline in the labour force of about 30 per cent, net value of production has nevertheless increased substantially. In mining, the drop in the labour force has been about one-half since 1951, resulting principally from the closure of several coal mines. The absolute drop in mining labour force has been about 5,000 since 1961 while net value of production dropped only slightly. As in agriculture these trends towards declining labour requirements and increasing output are the result of rising productivity which, in turn, is a result of the substitution of capital for labour in the primary industries. This situation is, of course, a general one and is by no means peculiar to Nova Scotia.

In the processing of agricultural products, the post-war years have seen substantial percentage increases in both labour force and value, although in absolute terms these are small.

Like primary forestry, forest-processing industries have experienced a decline in the labour force but an increase in the value of output. The increase in net value has been about 48 per cent between 1947 and 1962, while the labour force drop has been in the order of 20 to 25 per cent. The labour force engaged in the pulp and paper industry has doubled since the immediate post-war period, while the labour force in the sawmills and the other wood industries has fallen by over one-half. Net value of production in the pulp and paper industry more than doubled, other wood-using industries increased by a third, but sawmill value added dropped by about 15 per cent. These comparisons cover the period 1947 to 1962.

The labour force in the fish processing industry has remained fairly constant over the period. Structural changes within the industry, however,

FIGURE 3



SOURCE: Based on data from the Dominion Bureau of Statistics and the Department of Trade and Commerce.

have been taking place resulting in a decline in the labour force engaged in the salt fish industry and corresponding increases in the fresh and frozen processing industry. In the same period, net value of production has increased by approximately one-half.

Secondary Manufacturing

Employment in Nova Scotia's secondary manufacturing industry, generally manufacturing not based on the province's raw materials, has changed little since 1947. It reached a high in 1952 which was 10 per cent above the 1947 figure, and a low in 1961 which was nine per cent below the level prevailing in 1947. Since 1961, employment has risen each year from 92 per cent of the 1947 level to 105 per cent in 1964. Value added by manufacturing processes has risen by 171 per cent since 1947, but this increase reflects not only increased production, but increases in prices as well.

Data are not available for the leather, textile, primary metal, electrical products, petroleum and coal products industries separately. Together they account for 26 per cent of employment, 31 per cent of net value and 47 per cent of gross value of the secondary manufacturing sector. On the other hand, they account for only four per cent of the number of secondary manufacturing establishments. In the following tabulation, the remaining industries in the secondary manufacturing sector are grouped by rank for four separate indicators of relative importance on the basis of 1962 data:

	Employment	Net Value	Gross Value	Number of Establishments
Transportation Equipment	1	1	2	3
Food and Beverages	2	2	1	1
Metal-fabricating	3	4	3	4
Printing, Publishing and Allied Industries	4	3	4	2
Knitting Mills	5	5	5	11
Machinery (except electrical)	6	6	10	12
Clothing	7	10	9	9
Paper and Allied Industries	8	7	7	10
Chemicals and Chemical Products	9	6	6	8
Non-metallic Mineral Products	10	8	8	7
Furniture and Fixtures	11	9	10	6
Miscellaneous Manufacturing	12	9	10	5

(The appearance of the same number more than once in the same column indicates that two or more industries have equal rank.)

In 1962, the transportation equipment industry provided employment for 23 per cent of all secondary manufacturing workers, and the foods and beverages industry for 17 per cent. These two industries, together with other industries for which no data are available, employ two-thirds of the entire secondary manufacturing labour force. The metal-fabricating industry accounted for nine per cent, and the printing and publishing industry and the knitting goods industry each for seven per cent. In other words, the group of industries for which no separate data are available, the transportation equipment industry, the foods and beverages industry, the metal-fabricating industry, the printing and publishing industry, and the knitting-goods industry provided employment for 89 per cent of the secondary manufacturing labour force in Nova Scotia in 1962.

Defence

Combined services and civilian employment for defence purposes in Nova Scotia is approximately 25,000 persons, equivalent to about 10 per cent of the provincial labour force in 1961. The annual payroll amounts to about $90 million, equivalent to about 10 per cent of personal income in the province. The labour force employed in defence experienced strong expansion during the 1950's, the increase amounting to 79 per cent between 1951 and 1961. By 1961, more people were employed in defence than in agriculture, forestry and fishing combined; more than in transportation, communication and other utilities; or approximately the same as in retail trade. Employment in defence was equivalent to about two-thirds of total manufacturing employment. The defence "industry", then, occupies a much more important position in the Nova Scotia economy than in any other province.

The most direct secondary employment effects of defence spending occur in manufacturing, particularly in the aircraft, electronics and shipbuilding industries. Provincial firms specializing in the manufacture and repair of defence equipment employ from 3,000 to 4,000 workers. Secondary effects are also strongly felt in the construction industry.

Certain changes in Canadian defence policy were outlined in the White Paper on Defence which was presented to Parliament in March, 1964. The defence forces are to become more flexible and mobile to enable them to meet Canada's commitments as effectively as possible. This will involve the integration of the three armed services, and where possible, the reduction of operating costs, and will permit increased expenditures on equipment.

A likely consequence of this new defence policy is that increases in armed forces and civilian defence employees will not take place at the same rate as during the 1950's: indeed, cutbacks may occur. In fact, employment in defence has already shown some decline from the 1961 level. The exact nature of the changes in defence policy and the effect of these changes on the provincial economy need to be investigated. The results of the investigation will influence the types of policies required for further development in other areas of the economy.

Services

The service industries "produce" services to meet the requirements of individuals, businesses, government, and the tourist industry, and as such represent a major area of economic activity. Services thus include retail trade; wholesale trade; finance, insurance and real estate; community, professional and business services; personal, domestic and miscellaneous services; and public administration.

The service industries' labour force increased by 29 per cent between 1951 and 1961. Since defence employment increased even more rapidly, this group of industries, with defence included, raised its employment requirements by 37 per cent during the decade. These industries provided employment for 34 per cent of the Nova Scotian labour force in 1951, and by 1961 this had risen to 41 per cent. With defence included the proportions are 4[illegible] per cent and 52 per cent, respectively.

The greatest increase in labour force employment, apart from defence, occurred in community, business and professional services. Health and welfare services increased by 67 per cent, education by 58 per cent and business-management services by one-half. Of the total labour force increase of about 10,000, some 8,000 occurred in health, welfare and education.

Finance, insurance and real estate raised employment requirements by almost 60 per cent, but the number involved was small, totalling only approximately 2,000 persons. Following in order of percentage increase were public administration, 29 per cent; personal, domestic and miscellaneous services, 18 per cent; retail trade, 15 per cent; and wholesale trade, 12 per cent.

The service industries thus provide a very significant portion of the total economic activity in Nova Scotia. Moreover, the demand for labour in these industries is increasing more rapidly than in the goods-producing industries. With rising levels of personal income, with increasing leisure time, and with the growing complexity of modern society the demand for services to supply individual, business and government needs is likely to continue to expand.

Supporting Sectors

Activities concerned with construction, electric power, and transportation, storage and communications are here considered as supporting sectors. Labour force employment in these three sectors, about 17 per cent of the provincial labour force in both 1951 and 1961, increased by about nine per cent during the decade. The highest percentage increase occurred in communications.

The total value of construction work performed in Nova Scotia increased from $61 million in 1947 to $219 million in 1964. Residential, building and heavy construction have accounted for about 70 per cent of all construction activity in recent years, with institutions comprising the largest portion. Highway construction and repair expenditures have experienced the fastest rate of growth among the construction components, followed by residential construction. During the 1947-64 period, the labour force engaged in construction has averaged about 18,000 annually, although the figure rose to over 20,000 in 1953, 1957 and 1959 due to large capital projects which were underway during those years.

Traditionally, the railways are the dominant handler of Nova Scotian products. During the last twenty years, however, the trucking industry has become a serious competitor of the railways, particularly in the handling of non-bulk commodities of high value. Revenue freight volumes did not show any dynamic changes during the 1953-63 period, and there has been a decline in passenger traffic, although in the last few years the public-owned national railway has improved its passenger position. Railway employment underwent a 20 per cent decline during the decade to a present level of about 5,200.

The number of employees in water transport activities declined by about 800 during the 1951-61 decade to an average level of about 3,000. Cargoes loaded and unloaded in international trade rose from 6.2 million tons to 10.7 million tons in the 1953-63 period, but coastal shipping tonnage remained about the same. At the Port of Halifax, general cargo movement has remained relatively static at about 1 million tons.

In the transportation industry, employment increases are occurring in the newer modes of transportation resulting from increasing use of aircraft and motor vehicles for moving both goods and passengers.

Employment in communications activity rose from under 3,000 in 1951 to over 5,000 in 1961, largely accounted for by increases in telephone, radio and television operations. The labour requirements of the newspapers have remained constant and those of telegraph operations have declined.

While the total labour force employed in the provision of electricity, gas and water services declined by about five per cent during the 1951-61 decade, the number of persons employed by the electric power utilities has remained fairly stable since 1948. The value of power output, on the other hand, has risen threefold.

REVIEW OF THE INSTITUTIONAL FRAMEWORK

The economy of Nova Scotia has developed within a federal constitutional structure in which a federal-provincial-municipal division of powers is a main characteristic. Some of the spheres of authority which affect the economy, either directly or indirectly, lie within the exclusive authority of the Provincial Government; others are of exclusive Federal Government concern; others of joint responsibility; and still others have been passed by the province to its municipalities.

The 1954 Economic Survey of Europe, published by the United Nations, contains a detailed analysis of the problems of regional development in Western Europe. It is stated in the report that "A number of institutional factors have the effect of perpetrating or even accentuating the existing location of industry." Some of these institutional factors are the availability of social capital, tax policies, imperfections in the credit market, railway freight rates and tariff policy. Whether or not institutional factors have been as important in Canada as in Western Europe, few will deny that they have played a significant role in the relative growth of provinces and regions within the national economy. Their effect on development in Nova Scotia must be carefully considered.

Monetary and Fiscal Policies

Monetary policy may be considered broadly as any action which affects the cost or availability of credit, and fiscal policy as the taxation and expenditure policy of government. Although the provincial governments in Canada have several agencies which lend public funds to agriculture, fishing and industry, monetary policy is primarily the responsibility of the federal authorities and has been applied indiscriminately to all parts of the country. On the other hand, since all governments are faced with the necessity of providing a wide range of services and of imposing taxes to pay for these services, the three levels of government in Canada, federal, provincial and municipal, have recourse to fiscal policy.

In analyzing data on the number of loans made by Canadian banks from April 1956 to September 1957 and from June 1959 to March 1960, both periods of monetary restraint, Dr. A. K. Cairncross in his 1961 report to the Atlantic Provinces Research Board, Economic Development and the Atlantic Provinces, concluded that the credit squeeze fell almost exclusively on small borrowers. He noted that the number of loans over $100 thousand actually increased during the first period and fell only slightly in the second period, while the number of loans under $100 thousand experienced a sharp decline in both periods. Since Nova Scotia contains a relatively large proportion of small and medium-sized firms which were likely to be applying for loans of under $100 thousand, there is no doubt that the consequences of the credit restrictions were felt with greater severity in Nova Scotia than in some of the larger provinces where a greater proportion of the business loans are for more than $100 thousand. In addition, several of the medium and small-sized firms in Nova Scotia have located in the province within the last few years. Recent investigation indicates that such firms tend to be relatively capital intensive and hence more responsive to monetary restraint.

It must be remembered, however, that it is not only the private institutions which are involved in the provision of credit, and that a large part of the flow of credit in Canada comes from public sources through such agencies as the Central Mortgage and Housing Corporation, the Industrial Development Bank and other federal and provincial lending agencies. In periods of credit restriction to relieve the pressure of demand on available resources nationally, there is no reason why the Federal Government, through its lending agencies, need apply restrictions with equal severity in all parts of the country. These agencies might make credit more readily available in provinces or areas of the country where demand pressures are less severe. The provincial agencies, of course, need not restrict their activities at all.

Also in times of monetary restraint, the commercial banks might be encouraged to exempt certain provinces and regions where demand pressures are less severe from the full force of restrictions on credit availability. Such a move could best be brought about through a co-operative approach on the part of the Federal Government, the Bank of Canada and the commercial banks.

If general monetary restrictions aggrevate persistent conditions of underemployment in certain provinces and areas of the country, there is no reason why the effects cannot be mitigated by fiscal means. A speed-up of public works projects already underway and the start of others sooner than planned would tend to offset the slowdown in private investment by diverting employment to the public sector. In this regard the Federal Government recently suspended certain public capital investment projects in areas where excessive demand pressures prevail and permitted them to continue on schedule in other areas where such conditions do not exist to the same extent.

In the field of fiscal policy, the personal and corporation income tax has received major attention for purposes of economic development, and both the Federal and Provincial Governments have rights to these taxes. Starting in 1941, a series of tax agreements were concluded between the Federal and Provincial Governments whereby the participating provinces undertook, in return for compensation, not to use, or permit their municipalities to use, these tax fields. Under the agreements covering the 1962-67 period, however, the Federal Government withdrew from a portion of the field, making way for the re-entry of the provinces. To provide the provinces with increased financial resources the federal income tax was reduced by 16 per cent in 1962, increasing to 24 per cent in 1966. The Federal Government also reduced its rate of corporate income tax by nine per cent. The provincial tax rates are not restricted to the extent of the federal withdrawal; indeed, the constitutional position of the provinces permits them unlimited use of direct taxes[1].

Since the great depression of the 1930's the Federal Government has used fiscal policy, particularly the income taxes and certain areas of government expenditure, to reduce business fluctuations in the private sector of the economy. More recently, the corporation income tax has been used to encourage longer-term economic development. In 1961, double depreciation, permitting a faster write-off of assets for firms manufacturing a product new to Canada, or new to a designated area of surplus manpower, was introduced to stimulate private investment. A new tax incentive programme became available in 1963 permitting new and existing manufacturing and processing firms, provided they are at least 25 per cent Canadian owned, to deduct depreciation for tax purposes at the rate of 50 per cent per annum on a straight line basis. If such firms locate in a designated area of surplus manpower they may claim exemption from income taxes for three years, write-off the cost of machinery and equipment in their fourth and fifth years at the rate of 50 per cent per annum, and write-off the cost of new buildings at the rate of 20 per cent per annum. To quality for these incentives firms must purchase new assets, and new business must come into existence by March 31, 1967.

More recently, new policies have become available to encourage industrial development in designated areas of slow growth. These include a grant to manufacturing and processing firms equal to one-third of the first $250 thousand of capital investment, one-quarter of the next $750 thousand and one-fifth of investment over $1 million—with a limit of $5 million per grant. These grants apply to buildings, equipment, water supply, sewage disposal, electric power supply and company-owned wharves and docks. The grants are not to be deducted from the capital against which allowances may be claimed for tax purposes.

Tax incentives represent a fiscal device from the point of view of taxation, grants from the point of view of expenditure. As to the relative merits of these two approaches, Professor T. Wilson in his report of 1964 to the Atlantic Provinces Research Board, Financial Assistance with Regional Development, noted:

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[1] These rates of federal withdrawal from the personal and corporate income tax fields are those of the general agreements. Different rates apply under special conditions to particular provinces.

> "In general, direct grants are to be preferred to tax inducements. The value of grants can be better assessed beforehand, and their receipt will help a firm during the difficult settling-in period. Grants can also be used more selectively than tax incentives."

In any society, an adequate system of schools, hospitals, public buildings, roads, water supply, urban renewal, harbour facilities and other public investment is necessary to encourage industrial location and to meet other economic and social needs. At any point in time there is a demand for new public capital spending and at the same time the resources available to meet this demand are limited. However, some capital spending projects are more important than others in meeting the economic and social needs of society, and these should be given priority in a public spending programme.

Public investment is a growing area of economic activity, and in Nova Scotia is relatively more important than in Canada as a whole. During the 1955 to 1964 period new capital investment by governments and institutions accounted for 31 per cent of total new capital investment in Nova Scotia, and in Canada for 21 per cent. For the future a carefully prepared programme of public capital investment, with priorities assigned individual projects, is necessary to encourage private investment, to meet other economic and social needs within the limitations imposed by the availability of resources, and to ensure the full implementation of any plan for economic development.

It must be remembered that the federal and municipal governments are heavy capital spenders, and a programme of public investment must incorporate the capital spending intentions of all three levels of government. The development of the programme requires co-ordination between all levels of government. Since the Atlantic Development Board is an agency of the Federal Government, with specific responsibility for the Atlantic region, it should act on behalf of the Federal Government in this regard. A public capital spending programme would thus be the result of a co-operative and co-ordinated approach by the Atlantic Development Board, the Provincial Government and the municipalities of the province.

Commercial Policy

Until the mid-nineteenth century, Nova Scotia concentrated her efforts on producing goods for local and international markets. With the technological and political changes which occurred about that time a considerable portion of these efforts became directed to producing goods for sale in central Canadian markets. At the same time, since the Federal Government assumed responsibility for matters of international trade at Confederation, Nova Scotia was brought within the area of Canadian commercial policy. Canadian commercial policy has been protectionist and was designed to unite the several parts of the new nation both politically and economically, and to encourage the development of a Canadian manufacturing industry. International regulations governing the conditions under which the province's international trade takes place generally discourage the export of fully-manufactured products and encourage the export of raw, or semi-processed materials.

The demand for exports represents an important component of the Nova Scotian economy. The value of exports is equal to between 21 and 28 per cent of the net value of goods produced. However, the relative importance of exports has changed little since 1950.

The dependence of the provincial economy on the export trade varies considerably from sector to sector. In the case of fish and fisheries products, up to one-half of the output has entered export markets in recent years. Coal accounts for about three-quarters of mineral production but very little coal is exported. During the post-war period about three-quarters of non-metallic mineral output has been exported while output and export of metallic minerals have been sporadic.

Exports of iron and steel products have increased considerably in recent years, from between two and seven per cent of output in the 1951-55 period to about 33 to 35 per cent during the last few years. It appears that exports of primary products, including railway track, have been the main stimulus. There has been a marked cyclical pattern in exports of forest products but very little long-term growth is evident. Approximately 90 per cent of paper and woodpulp output is exported, and exports of sawmill products have ranged from 13 per cent to 36 per cent of output.

Despite the diversity of goods exported from Nova Scotia a limited number of products dominate the province's export trade. Exports of fish prdoucts, pulp and paper, and iron and steel products make up approximately two-thirds of the total, and this pattern has generally persisted throughout the post-war period. The most important increases in export values have come from the pulp and paper and fisheries sectors. Exports of most other commodities have been of limited significance and have shown little tendency to grow.

Prior to World War II the United Kingdom was the principal market for Nova Scotia's exports. Today only lumber, iron and steel products, furs, apples and a few miscellaneous manufactured goods are sold there to any significant extent. The volume and diversity of exports to other Commonwealth countries have also declined in recent years. One of the most interesting post-war developments has been the increase in value and diversity of exports to Latin American markets. At the present time these markets are an important outlet for fish and other food products, iron and steel, machinery and a wide range of other manufactured goods. Exports to both the European Free Trade Area (excluding the United Kingdom) and the European Economic Community are still small although exports of skins, pulpwood and metallic minerals to Common Market countries have increased in recent years.

The United States is by far the most important market for Nova Scotian exports, absorbing about 60 per cent of all provincial exports in the 1960-63 period. Despite this high dependence on the American market the degree of dependence is less than in the 1930's. Not only more but a greater variety of goods are exported from the province, and these exports go to more countries. Generally speaking, the United States is the principal market for primary commodities and the Commonwealth (including the United Kingdom) for manufactured goods.

Since 1950 most of the increase in world trade has been in manufactured goods. Substantial gains in the importance of exports to the Nova Scotian economy demands that the volume and diversity of manufactured goods produced in the province will also have to be increased. This fact should be taken into consideration in any examination of changes required in Canadian commercial policy.

Transportation Policy

From earliest times in Canada transportation has been a matter of general public concern. Before Confederation, ocean links had been established between the Maritime Provinces and Britain, the West Indies, the eastern seaboard of the United States and many other overseas points. After 1867, railways were constructed linking the Maritimes with the central provinces of Canada, and railway freight rates became a major item of transportation concern. More recently newer modes of transportation, principally air and highways, have developed. While rail and air transport facilities are generally the concern of the Federal Government, the growing use of road transportation has produced a larger role for the provincial governments in the field of transportation.

Shortly after Confederation, the Intercolonial Railway was constructed and the rate structure on the railway was kept low to facilitate the movement of Maritime goods to central Canadian markets and of central Canadian goods to Maritime ports. After 1912, however, in a general trend of rail freight rate increases, rates on the Intercolonial Railway increased very substantially. The Maritime Freight Rates Act of 1927 provided that rates on the railway within the Maritimes and westward to Levis, Quebec should be reduced by 20 per cent, and the difference paid by the Federal Government. After the passing of the Act, Intercolonial rates began to rise again faster than increases in the central part of the country, and in 1957 the 20 per cent reduction was raised to 30 per cent on freight moving out of select territory to points west.

In its submission of 1960 to the Royal Commission on Transportation, the Maritimes Transportation Commission recommended that any revision of the Maritime Freight Rates Act should contain three provisions:

> "1. It must be able to bridge the gap between Maritime and Central Canadian producers in the important market of Central Canada.
>
> 2. It must do this over time and must, therefore, contain a mechanism which will compensate for rate distortions arising (a) from disparities in the intensity of carrier competition in the two territories, and (b) from horizontal percentage rate increases.
>
> 3. It must not deprive Atlantic Provinces shippers of the opportunity of availing themselves of services and rates of carriers other than the railways."

The Royal Commission, in its report, concluded that the objectives of a national transportation policy are the efficiency and economy of the transportation system. The report also claimed that national policy for economic development was beyond its term of reference but that ". . . transportation may be an effective instrument to use for the pursuit of national policy objectives, particularly where great distances are a limiting factor to balanced national growth." Later it stated that "Should it . . . be deemed advisable to give special assistance to the Atlantic Provinces to overcome economic lag, such special assistance might well be designed to assist the movement of the products of secondary industry where it will have the greatest employment generating impact."

Nova Scotia manufacturing industries have obvious disadvantages in central Canadian markets. However, a substantial market for the province's manufactured products has developed in Canada over the years. In 1960, for example, it appears that about 40 per cent of Nova Scotia's manufactured products which were sold outside the province went to Canadian markets outside the Atlantic Provinces. It appears also that about 63 per cent of the province's manufactured products which were sold in Canadian markets outside the Atlantic region were primary metal and machinery products and transportation equipment. These industries were responsible for about 30 per cent of the gross value of manufacturing in Nova Scotia that year. Nova Scotia, therefore, has an interest in the continuation of adequate transportation facilities at reasonable cost to central Canadian markets. In the foreseeable future a substantial portion of Nova Scotian goods will depend on Canadian markets.

Highway transportation is playing an increasingly important role in the movement of goods. It has been suggested that provincial and municipal tax legislation and regulations with respect to motor carriers are inhibiting factors in the more efficient development of this method of transportation. In view of the importance of highway transport within Nova Scotia, and between Nova Scotia and other market areas, this matter should be examined and appropriate steps taken to relieve any such conditions. This would include, of course, steps to provide a system of all-weather trunk highways and adequate ferry service to New England points. Motor carrier firms must strive to improve their efficiency and organization in providing transportation services.

In addition to railway policy the Federal Government has a primary responsibility for national ports. The Port of Halifax has been losing substantial amounts of cargo over the last few years. This has resulted from increased competition from Saint John, but more so from the St. Lawrence ports of Quebec, Three Rivers, and to a lesser extent, Montreal. The loss to St. Lawrence ports resulted mainly from the extension of the shipping season on the lower St. Lawrence. The Federal Government's ice breaking services there have delayed port closure in the river from early December to early January and advanced the re-opening from late to early April.

Halifax has also to compete with eastern American ports which offer more shipping frequency, as well as service to a greater variety of overseas ports, and which are located closer to central Canada. At present imports destined to central Canada coming under the Commonwealth Preferential Tariff favour Halifax to American ports because preferential treatment is accorded only to imports which are landed directly at a Canadian port. When these imports are landed at an American port they are subject to the Most Favoured Nation Tariff which is generally higher than the Commonwealth Preferential Tariff. Any general tendency towards lower tariffs makes the difference between the two rates less and affects the competitive position of Halifax. Any decline in the relative position of Commonwealth imports to Canada would also affect the business of the Port of Halifax.

Manpower Policy

The permanent subsidizing of unemployed and underemployed workers represents two types of cost to society. First, there is the direct cost in terms of unemployment insurance and other welfare assistance programmes designed to provide a minimum standard of living. Secondly, there is the indirect cost which arises from the fact that total output is lower than it would be under conditions of full employment. This cost is just as great or greater than the cost of supporting unemployed workers. It is even greater if the worker is unemployed while there are expanding industries and localities in the province which are suffering from labour shortages.

The object of manpower policies should be to equate the supply of and demand for labour in localities and occupations in such a way that manpower resources can be most productively utilized, or in other words, to promote the occupational, industrial and geographical mobility of the labour force. Manpower policy is an important weapon to promote other economic goals such as increased productivity and output as well as full employment.

The National Employment Service is the logical agency to implement an effective manpower policy in Canada, and it must be given sufficient authority and resources. The separation of the Service from the Unemployment Insurance Commission was a step in the right direction. The more recent creation of a Department of Manpower by the Federal Government, including not only those manpower programmes and policies in the Department of Labour, but also those in the Department of Citizenship and Immigration, is even more important in its apparent implication.

The need for effective manpower policies becomes apparent from a review of recent changes taking place in the provincial economy. Examples such as the shift in the population from rural to urban centres and the continued substitution of capital for labour, particularly in the resource industries, point out the need for occupational, industrial and geographical mobility. Moreover, labour force mobility is an important factor in any move to encourage growth through the development of concentrated growth centres.

Prior to 1937, one of the major causes of industrial disputes, apart from the question of wages was that of union recognition. Following the pattern of the Wagner Act which was enacted in the United States in 1935, Nova Scotia enacted the first trade union act in Canada in 1937. This act gave employees the right to organize into trade unions, and provided for a voluntary revocable check-off of union dues under certain conditions, a principle not yet incorporated in some labour codes in Canada. This act remained in effect until 1947, when it was supplanted by a new act modelled on P.C. 1003, the Wartime Labour Relations Act, which was enacted by the Federal Government in 1944 as a war emergency measure. The new act established a procedure dealing with applications for certification of trade unions and other related matters by the Labour Relations Board, and established a conciliation procedure to be followed in the event that the parties negotiating a collective agreement were unable to effect a settlement.

This legislation worked fairly well for a number of years. Up until 1959 most of the disputes were settled at the direct negotiation level with the assistance of a conciliation officer. However, in 1959 approximately 15 per cent of the conciliation cases were referred to conciliation boards, and in the ensuing five years this figure increased to over 37 per cent in 1961-62.

The McKinnon Commission, after making a study of the Nova Scotia Trade Union Act, and the labour legislation in other jurisdictions, presented a report to the legislature in 1962 emphasizing the importance of labour and management making a concerted effort to solve their own problems with a minimum of government intervention, which was the reverse of the trend of referring more and more disputes to conciliation boards. The report was referred to a select committee of the legislature for study.

During the same period, a Joint Labour-Management Study Committee also was established under the auspices of the Dalhousie Institute of Public Affairs to study the McKinnon Report, and explore new avenues of approach to problems in the labour-management relations field. The government has been making an annual grant, through the Department of Labour, to the Institute of Public Affairs to carry on educational work in the industrial relations field.

Since the establishment of the committee four conferences have been held, and agreement reached on a number of important matters at each meeting.

At the first Joint Labour-Management Study Conference held in 1962, one of the important points agreed upon was a moratorium on separate appeals by labour and management for amendments to the Trade Union Act until all approaches to closer union-management co-operation had been examined.

At the second conference held in 1963, it was agreed that the moratorium should be temporarily lifted. Labour and management agreed on legislative amendments to the Trade Union Act, and made a joint brief to government requesting that the legislation be amended accordingly. After consultation between representatives of government and the Joint Labour-Management Study Committee, agreement was reached regarding amendments to the Trade Union Act substantially in the form recommended by the Joint Labour-Management Study Committee.

One of the most important amendments was the change in conciliation procedure whereby a conciliation board would not be appointed unless both parties to the dispute made application to the Minister of Labour for the appointment of a board. It was hoped this would have the effect of making more realistic bargaining at the direct negotiation level, with a minimum of government interference, which is the theme of the McKinnon Report. This objective has been achieved.

Although the time which has elapsed since the enactment of this amendment in the spring of 1964 is relatively short, it would appear that it has assisted materially in developing a climate conducive to good labour-management relations in the province.

From a high of over 37 per cent of cases referred to conciliation boards in 1961-62 this figure was reduced to just over three per cent in 1964-65. During this period the man-days lost in Nova Scotia compared to Canada as a whole decreased from 3.6 per cent to 0.5 per cent, while the labour force in Nova Scotia remained a constant 3.6 per cent of the Canadian total.

A joint brief was again submitted after the third conference held in the fall of 1964, and as a result, further amendments were made to the Trade Union Act. At this conference an extensive report from the Automation Sub-committee was adopted. The report dealt with the impact of automation and technical change within a company, and has been widely distributed.

At the last conference, held in November 1965 a second report from the Automation Sub-Committee was adopted in principle. This report outlines the impact of automation and technical change on the public and community when the stresses become too great for handling at industry level and when the co-operation of labour, management and government is required. It was requested that the federal and provincial governments should study the recommendations in the report in consultation with labour and management representatives. Such discussions are already taking place.

Within the organization of Voluntary Economic Planning, advisory councils to the Board may be established and the Board is pleased to report that the Joint Labour-Management Study Committee has consented to serve as its Industrial Relations Advisory Council.

Education

It is self evident that the economic health and prosperity of a community, region or country is directly related to the educational achievements of its citizens. Quite apart from the intrinsic value of high levels of educational achievement, in terms of the social and cultural life of a community, the material welfare of a region is so dependent upon the technical performance of its people that a maximum level of education is now mandatory to prosperity and economic growth. In Canada, education at all levels is a provincial responsibility and, therefore, can be connotated with the intellectual and material achievements of the people of the province.

In the past, the primary and secondary schools and the universities of the province have produced a more than adequate number of professionally trained people. Many of these highly educated personnel have migrated from the province due to the lack of local opportunities. At the same time, it is evident that the province has not produced sufficient numbers of skilled and well trained technicians and tradesmen to meet the demands of a growing industrial economy. While an increased emphasis on technical education and training can provide, in the future, an adequate supply of qualified personnel in this category, salaries competitive with those prevailing elsewhere must be offered to prevent the inevitable drain of these essential human resources from the province.

The educational needs of the province may be viewed from, firstly, a short term policy which is concerned with the immediate needs of the existing and proposed industries within the province. Secondly, but by no means of less importance, is the long term need for better primary and secondary educational facilities and the requirements of our rapidly expanding universities. Technical and vocational training facilities until 1963 were extremely limited with only two Vocational High Schools, one in Halifax and one in Yarmouth, offering anything in the way of a broad programme. In addition, skills could be acquired through commercial courses in high schools, the Nova Scotia Agricultural College, the Land Survey School, nurses training and correspondence courses. In 1960 the passage of the Technical and Vocational Training Assistance Act brought about an expansion of vocational facilities. These included new vocational high schools at Kentville, Springhill, Sydney and Stellarton and an expansion of the two existing establishments. However, in 1963 the Nova Scotia enrolment in vocational schools amounted to only 1.73 per cent of the total equivalent enrollment in Canada: a little more than half of what should be expected on a per capita basis.

The new Institute of Technology in Halifax was also constructed, producing its first two year post high school graduates in June of 1965. While a start has been made on this type and level of post high school training, it is significant that in 1965 only 22 graduates were produced in Nova Scotia as against over 4000 in the whole of Canada. It should be emphasized that most of the new facilities are geared to the training or education of young persons at, or beyond, entrance to the senior high school level. A growing problem in Nova Scotia, and indeed in all of Canada, is preparation for employment of students who cannot or will not proceed beyond Grade IX. This need is accentuated by the growing complexity of modern industry and the elimination of non-skilled jobs by automation. Compounding this problem of training youth for industry is a backlog of adults with a minimal educational achievement who must be trained, or retrained, for employment in modern industry. While a start has been made on the problem of adult education it appears that, as well as increased facilities, a comprehensive public relations programme is required to acquaint those who need this training with the opportunities that already exist.

In the longer term view, one of the most serious problems is the relatively large number of early "drop outs" from our high school system. In 1963 the drop out rate to Grade XI in Nova Scotia was 55.7 per cent compared with 55 per cent for the whole of Canada at the corresponding level. By 1965 this figure had improved in Nova Scotia to 44.5 per cent but drop outs still remain a national problem. Until this year, the minimum entrance requirement to Nova Scotian universities was Grade XI, Junior Matriculation. However, at least one university (Dalhousie) is requiring Senior Matriculation in September 1966. This change, particularly if followed by other universities, will increase the retention rate of Grade XII and will offer a severe challenge to our high school system to provide adequate quantity and quality of Grade XII offerings, where today only 27.4 per cent are proceeding to Grade XII.

It is evident that overall earnings are closely related to formal educational achievement. It has been estimated that a youth with four years of high school will achieve, over his working career, double the income of a class mate who left school after eight years of elementary education. Additionally, the income of a university graduate will normally be twice that of a high school graduate. Every effort must be made to acquaint the youth of the province with the material advantages, as well as the aesthetic, or maximum educational achievement and to provide the additional facilities for increased high school and university enrollment.

It has been amply demonstrated, in other geographical areas, that the existence of vigorous institutions of higher learning tends toward the development of thriving industries which are based upon science and technology. Universities of excellence not only produce highly educated and trained professional persons, but also attract to their environment the most desirable kind of communities on which modern industrial and commercial complexes are based. Additionally, strong graduate schools in these universities act as catalysts for new enterprises which are the life blood of an expanding economy. Consequently, while our existing universities must be congratulated for their past efforts, they must also be encouraged, in every way, to develop the excellence and quality of their undergraduate and graduate programmes.

III

FUTURE GROWTH
THE PROBLEMS AND POLICIES

The First Plan states the conclusions reached, to date, by the Voluntary Planning Board concerning consolidation and assessment of the problems of and recommendations for economic development in Nova Scotia. Part of this process has been the determination of short and long-term economic goals for the province and setting growth targets for both the private and public sectors of the economy. Another function of the Board has been to assess sector committee recommendations, and to present those recommendations which are considered to be of assistance in the attainment of short and long-term goals and targets.

GENERAL AIMS AND GOALS

At an early stage in its work, the Board, in exercising its responsibility for preparing an overall plan for the economic development of Nova Scotia, had to determine the nature of the economic challenges confronting the province in order to establish suitable economic goals as a framework for economic planning. Such goals provide guidance for committees in their preparation of sector plans and also assist the Board's own staff in drawing the sector plans and also preparation of the overall plan. The economic goals also provide criteria against which recommendations advanced by sector committees, and other proposals considered by the Board, can be assessed.

The ultimate aim of economic development in Nova Scotia should be to provide the kind of economic system in which all Nova Scotians can participate by making contributions based upon their abilities and receiving, in return, a share of the benefits which result. Such an economic climate would also provide the necessary scope for Nova Scotians to pursue the challenges confronting them in the political and social spheres. Under improved economic conditions Nova Scotians would be given an even greater opportunity to play a worthy and significant part in Canada's economic, political and social life.

Setting specific social objectives for Nova Scotia is not the primary role of the Board. Nevertheless, in determining its ultimate economic objectives or goals, the Board has had to relate these to the general consensus in the province as to what social goals are important. It is assumed that the great majority of Nova Scotians would subscribe to a rising standard of living (including more recreation facilities and other social amenities), an increasing level of economic freedom and opportunity, an adequate degree of economic security, the production of goods and services in accordance with consumer demands and public needs, and an equitable distribution of income. These social goals are ones which Nova Scotians share with other Canadians.

The Board has established the following economic goals for Nova Scotia:

1. the highest possible rate of growth with an equitable distribution of per capita income;
2. the highest possible level of employment;
3. the achievement of the highest possible increase in productivity;
4. the development of all the resources of the province to the highest point of efficiency; and
5. the achievement of a climate, both economic and political, that will encourage the development of new industries and the expansion of existing industries.

These are desirable goals, but they are not likely to be attained easily or quickly. Their attainment will require a sustained effort by government through various economic measures, and the private sector must exhibit determined, progressive action.

The Economic Council of Canada has stated that our national economic objectives are a high level of employment, an adequate and sustained rate of economic growth, reasonable price stability, a viable balance of payments position and an equitable distribution of rising income.

The national economic objectives set by the Economic Council of Canada and the provincial goals set by the Board parallel each other very closely, which is not surprising as the two organizations are striving to achieve the same basic ends.

Strategy in the Long-Term

Once general economic goals are established, it becomes necessary to consider in a general way the means by which they are to be attained in the long-term. The determination of such long-term "strategy" is a step which must be taken before the content and scope of more specific plans, covering shorter and more immediate periods, can be considered.

One means of developing such a strategy is to consider what structural changes in the Nova Scotia economy should be encouraged. The Board has decided to promote the achievement of the most efficient economic structure possible—in other words, to encourage the growth of competitive and self-supporting activities in all sectors of the provincial economy. This approach seems most likely to achieve the provincial economic goals mentioned above. A corollary to this approach is that planning must encourage the ultimate termination of economic activities which are obsolete or not competitive.

Such drastic changes cannot be brought about overnight. In the short-term, planning must include policies and measures to ensure that such structural changes take place with a minimum of hardship for those concerned. Persons displaced from declining industries should be absorbed into growing ones. However, planning must provide interim means of support for those people affected. Interim means may take the form of direct assistance to those affected or indirect assistance through subsidies to maintain the declining industries temporarily through the transition period.

With all this in mind, the Board has attempted to formulate an overall development strategy for the long-term to be used as further guidance in the preparation of specific plans covering shorter periods.

In the case of voluntary economic planning for Nova Scotia, the process of evaluating the long-term structural changes required has proceeded concurrently with the preparation of the First Plan. The Board has not yet had adequate opportunity to specify, in detail, the changes required. It has had to be content with indicating the general direction of these changes and to use this as a guide in preparing the First Plan. Generally speaking, the structural changes will consist mainly of greater expansion in the size and importance of secondary manufacturing and the service industries.

Strategy in the Short-Term—The First Plan

In preparing the First Plan for Nova Scotia, the Board found it necessary to choose from its list of five economic goals, those which should receive most emphasis during the initial planning period. Nova

Scotia has long been plagued with an unemployment rate higher than the national average rate, and like the other Atlantic Provinces, has more than her share of underemployment and part-time, often subsistence, economic activities. The relative lack of permanent, full-time jobs is a feature of the provincial economy. The obvious corrective would be the creation of new jobs to reduce Nova Scotia's labour surplus.

Moreover, this need for new permanent jobs is likely to be aggravated in the near future by the acceleration in the rate of labour force growth that is expected throughout Canada.

Increased employment for its own sake, achieved in any way possible, would not constitute a worthwhile contribution to economic improvement in Nova Scotia. If the gains are to be real, it is necessary that any new jobs created should be permanent. The Board therefore considers that new job opportunities should be encouraged only in economic activities which are, or can become, efficient and self-supporting. More jobs of this kind would represent a valuable step in the direction of making the whole provincial economy efficient and more dynamic.

In addition to the direct creation of new jobs in efficient, economic activities, there are proposals which are also included in the First Plan because they will assist in laying the groundwork for further economic improvement after the first planning period.

The Board has accordingly selected from its longer-term goals for the 1965-68 period:

1. an increase in the rate of growth of employment;
2. the establishment and expansion of efficient and self-supporting economic activities to provide new employment; and
3. the laying of suitable groundwork for future growth and development in accordance with the long-term economic goals.

Achievement of these three specific goals during the first planning period would ensure real progress toward the ultimate attainment of the five general economic goals. The creation of new productive employment at a faster rate than in the past implies, in itself, an increase in per capita income. This will be particularly so if these jobs are filled by persons who would otherwise have been unemployed or employed in activities where their returns would be less than in the newly created actviity.

Similarly, the creation of new productive employment should contribute to a rise in the general productivity of the Nova Scotia economy. At a later stage, in an environment of more rapid economic growth, the planning emphasis should include more direct measures to improve the productivity of certain existing industries. For the immediate future, however, it is considered more appropriate to place the planning emphasis on achieving higher productivity mainly through the creation and encouragement of new productive employment.

This approach to the First Plan should also result in a further improvement in Nova Scotia's economic climate and thus encourage the development of new industries, and the expansion of existing ones. The emphasis on encouraging efficient enterprises in the first planning period, and the laying of suitable groundwork to assure more progress in this direction as later plans are executed, is a necessary first step in this direction. It will require a large increase in the rate of new capital investment for the provision of new employment, an increase in the capital intensity of present employment as well as the provision of an expanded infrastructure, including expanded educational programmes in vocational and academic fields.

LONG-TERM TRENDS

The quantification of the economic goals into specific targets for the planning period requires the establishment of future trends in the province's population and labour force. Unlike the targets, the future population and labour force can be estimated on a short-term basis by reviewing their structure and past trends. To provide more perspective, these trends have been projected to the end of the second planning period, 1972.

Population Growth

Nova Scotia's population reached an estimated 760,000 persons during 1964. It is anticipated that it will grow by 5.0 per cent in the period from 1961 to 1966 as compared to a past growth of 6.1 per cent during the 1956 to 1961 period. Growth from 1966 to 1971 has been estimated at 4.9 per cent. Accordingly, Nova Scotia's population will reach 790,000 persons in 1968, implying an increase of 30,000 persons during the first planning period or an average annual rate of increase of one per cent. The estimate for 1972 is 820,000 persons, which means an addition of 30,000 persons during the second planning period.

Summary of Population Characteristics*

	1964		1968		1972	
	Number ('000's)	Index 1964 = 100	Number ('000's)	Index 1964 = 100	Number ('000's)	Index 1964 = 100
Total Population	760	100.0	790	103.9	820	107.9
0-19 Years Old	334	100.0	349	104.5	363	108.7
20-64 Years Old	361	100.0	373	103.3	386	106.9
65 Years Old and Over	65	100.0	68	104.6	71	109.2

*mid-year basis

Source: V.E.P.

The table above shows the expected composition of the population in 1968 and 1972. While the male to female ratio is expected to remain close to the present figure of 1.03, certain structural changes will take place among the age groups. The "0-19" years old group is expected to gain less than during the last decade, the age group "20-64" will grow slightly faster than during the last decade, provided the rate of out-migration remains at the current level, and the group "65 years and over" is expected to grow steadily, following the present trend.

The post-war baby boom is a factor of special significance to the changes in population. Firstly, it will increase the "20-64" age group considerably between 1968 and 1972. Secondly, it will cause the marriage rate and the birth rate, which both reached a low level in the early sixties, to increase approximately to the levels experienced in the mid-fifties. Finally, it might also affect the out-migration rate during the 1964 to 1972 period.

In Canada only four provinces—Quebec, Ontario, Alberta and British Columbia—have experienced positive net-migration (inflow exceeded outflow) during recent years; all other Canadian provinces experienced a negative net-migration (outflow exceeded inflow). In the period 1951 to 1956 Nova Scotia had a negative net-migration of 11,000 persons, according to estimates of the Dominion Bureau of Statistics, which reached 22,870 persons in the period 1956 to 1961. This was caused mainly by good employment opportunities in central Canada and in the United States. It is likely that the anticipated increase in the number of young people during the next decade will tend to keep out-migration up. On the other hand, because a strong increase in the total labour force is expected to occur throughout Canada, it could become difficult for emigrating Nova Scotians to find employment in the traditional regions of expansion, a condition which may tend to discourage out-migration. Experience has shown that it is extremely difficult to predict out-migration, but it seems reasonable to expect an annual net outflow of 0.4 per cent to 0.6 per cent of the total population during the next decade.

The estimates of population trends are based on the assumption that there is no major withdrawal of defence personnel from the province over the planning periods.

Labour Force Growth

The labour force estimates were determined on the basis of the derived population estimates and historical information concerning the labour force and its characteristics.

Summary of Labour Force Characteristics

	1964		1968		1972	
	Number ('000's)	Index 1964=100	Number ('000's)	Index 1964=100	Number ('000's)	Index 1964=100
Total Labour Force	240.8	100.0	247.1	102.6	254.4	105.6
Male Labour Force	179.9	100.0	182.6	101.5	185.7	103.2
Female Labour Force	60.9	100.0	64.5	105.9	68.7	112.8

Source: V.E.P.

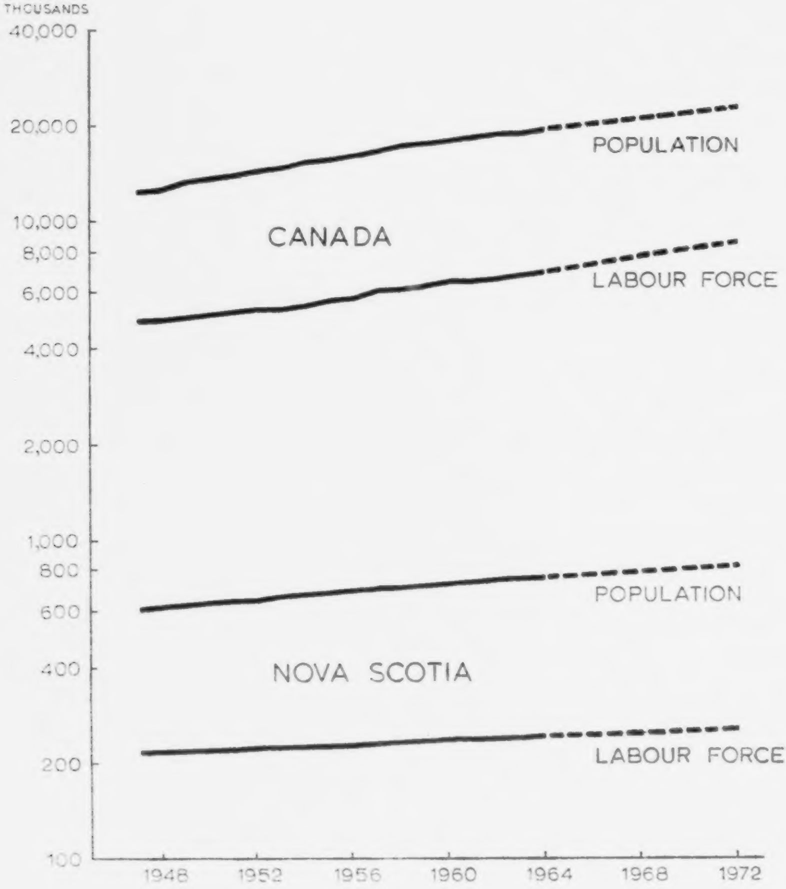
The table above shows that the total labour force is expected to increase by 6,300 persons between 1964 and 1968 (2,700 males and 3,600 females), and by 7,300 persons between 1968 and 1972 (3,100 males and 4,200 females). The average annual rate of increase during the first planning period is expected to be 0.6 per cent.

The expected large increase in the "20-64" age group after 1968 will cause the growth of the labour force during the second planning period to exceed that of the first planning period.

In making these projections it was assumed that the "15-19" age group will be of decreasing significance, because an increasing proportion of individuals in this group will be occupied with their education and training. It was also assumed that the female participation rate will increase further during the coming decade. The composition of the labour force will change from about 75 per cent males and 25 per cent females to about 73 per cent males and 27 per cent females.

FIGURE 4

POPULATION AND LABOUR FORCE
CANADA AND NOVA SCOTIA



SOURCE: Based on data from the Dominion Bureau of Statistics, projections for Canada by the Economic Council of Canada, projections for Nova Scotia by Voluntary Economic Planning.

The relationships between the past growth in population and labour force and the expected changes up to 1972 are shown in Figure 4. It is apparent from this graph that Canada's rate of growth in population and labour force will continue to be higher than the rate of growth for Nova Scotia. These projected trends provide the basis for establishing target values for the first planning period.

PROVINCIAL TARGETS

A growth target indicates the direction and the approximate magnitude of the change which is desired during a forthcoming planning period. The desired target value is based on the latest available information and its attainment assumes successful implementation of policy and technical recommendations. Thus a target differs widely from an econometric forecast or a graphical projection which are the two well-known prediction techniques. The purpose of the target is simply to influence the future course of the economy. A target should not be fixed at an unrealistically high level, but it must be ambitious in order to serve as a challenge. The magnitude of the desired change will always be subject to revision as new quantitative information and new knowledge become available during the planning period. However, this does not detract from the target's importance. As others have stated, its precise quantitative value is far less important than its purpose of indicating the direction to be taken to fulfill certain goals. Growth targets are stated in terms of annual rates of growth, indicating the annual per cent change desired in order to reach a certain level at the end of the planning period.

Progress in achieving the overall goal of a higher standard of living in the province can be measured by the growth of per capita income, and can be expressed in targets relating to the growth of the province's output, and the growth of investment, employment and productivity to make this output possible. Finally, consideration should be given to the general structural shifts required in order to achieve and maintain an efficient and competitive economy.

These key indicators of economic growth, income, output, employment, investment and productivity are all interdependent. However, due to the limited amount of statistical data available at the provincial level and to insufficient analysis, it is impossible to determine specific target values for all of these indicators for the first planning period. For the purposes of the First Plan, only two targets have been selected for specific quantification. These are:

1. the annual rate of growth in provincial employment: and
2. the annual rate of growth in capital investment.

Due to its comprehensive nature as an indicator of economic growth and prosperity, income will be examined prior to establishing targets for employment and investment. While no specific target values are established for income, output and productivity, the recommended policies contained in the plan are aimed at increasing the growth of these variables.

Income

The employment and investment targets, together with the recommended policies will have an important effect on income levels. The size of the economic obstacles with which Nova Scotia is faced and the effect on income of these targets and policies is examined through a discussion of the differences in income levels between Nova Scotia and the nation as a whole.

As a measure of income, personal income data are used. Personal income may be defined as the sum of all income received before deduction of personal direct taxes, thus it is the total amount of money people have for spending, saving and paying taxes. It includes government transfer payments but excludes undistributed earnings and profits; however, in the case of farm income and income originating from other unincorporated business total net income is included. When put on a per capita basis, personal income provides a means of making inter-regional comparisons and for measuring changes within the same area over a period of time. In addition to raising the average per capita income, planning must seek to ensure that all income groups benefit from this increase.

In order to be able to measure any real changes that occur, it is customary to state income in terms of constant dollars, thus excluding increases due to inflation. This is achieved by dividing income by an appropriate and reliable price index, e.g. the general consumer price index. Since such an index is not available for the provinces (the consumer price index published for Halifax is not considered sufficient for provincial planning purposes) it was decided to state income on a current dollar basis. It will be assumed that inflation has occurred in Nova Scotia to the same degree as it has in Canada.

In comparing the past trends in per capita personal income of Nova Scotia and Canada, in Figure 5, it becomes obvious that the margin of difference has increased since 1948[1]. The gap has almost doubled since 1948 to amount to $459 in 1964[2]. While the absolute difference or gap has been increasing, the percentage difference has remained relatively constant. Nova Scotia's per capita income has been 25 to 26 per cent below the Canadian average. While there is no discernable trend towards a widening or narrowing of this percentage difference since 1948 there have been cyclical fluctuations. During the years when Canada's economy has grown rapidly and hence her per capita income has done the same, Nova Scotia's per capita income has fallen to 30 per cent below the Canadian average. The reverse situation is also evident. During periods of slow growth in the Canadian economy Nova Scotia's per capita income has risen to 23 per cent below the Canadian average.

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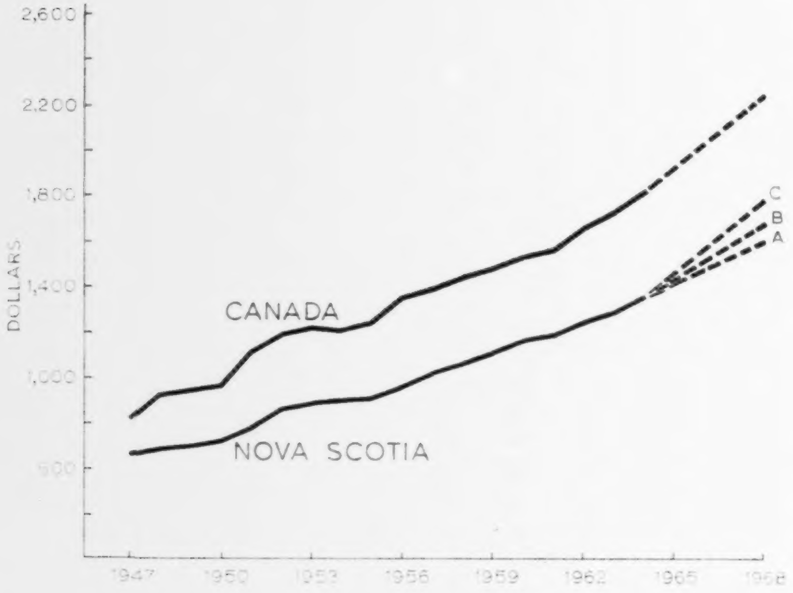
[1] By using 1947 as the base the change is exaggerated, being influenced by the effects of war on the provincial economy.

[2] This increased difference is distorted by using current dollars. The real change is closer to an increase of 40 per cent over the 1948 disparity.

FIGURE 5

PER CAPITA PERSONAL INCOME

(CURRENT DOLLARS)



SOURCE: Based on data from the Dominion Bureau of Statistics, projections by Voluntary Economic Planning, projections for Canada based on the goals established by the Economic Council of Canada.

To improve this situation Nova Scotia's rate of growth must exceed the national average. If Canada's per capita income increases in line with the targets recommended by the Economic Council of Canada

(Figure 5) and Nova Scotia's continues along its past growth trend of 4.3 per cent per year the gap will increase to approximately $645 in 1968 and the percentage difference will increase to 29 per cent below the Canadian average as shown by line A. If the province is to maintain the present 25 per cent disparity and thus allowing the gap to increase to $560 the annual rate of growth must increase to 5.5 per cent (line B). While if Nova Scotia is to maintain the present absolute differential of $459 and thus close the percentage disparity to 21 per cent the annual growth rate to 1968 must be 7.0 per cent (line C).

While Nova Scotia has increased its per capita income in the post-war period it has been unable to reduce the income disparity. A detailed analysis of this disparity has not yet been completed. However, several factors seem pertinent. The first major factor is the difference in the proportion of the total population employed in Nova Scotia compared to Canada. In Nova Scotia approximately 29 per cent of the population was employed, between 1960 and 1964, while in Canada the proportion was 34 per cent. The contributing factors to this lower level of employment in Nova Scotia, in comparison to the nation as a whole, appear to be the lower percentage of the province's population in the working age groups and of those in the working age groups, a smaller percentage are in the labour force; that is, fewer in the working age groups are either employed or looking for work. In addition to this, Nova Scotia has been plagued by higher unemployment rates and an economy whose structure has led to a large amount of seasonal employment. The Economic Council of Canada has estimated that these factors have accounted for roughly one-half of the difference in per capita earned income[3].

Another portion of the income differential can be explained by the lower average earnings and the lower level of output per employed person in Nova Scotia. This has resulted from many factors such as a larger proportion of the population working in marginal primary operations in resource-based industries, a comparatively lower level of capital stock and the difference in the educational level of the labour force. While no attempt has been made to list all the factors which might account for the gap in income, the above appear to be some of the most obvious.

The Board recognizes that considerable effort will be needed to maintain the present absolute margin of income disparity between Nova Scotia and Canada and in order to accomplish this policies must be formulated which are aimed at removing the differences in these factors. It is for these reasons that the Board stresses policies for increasing labour utilization, productivity and output through education and training, increasing employment, increasing capital investment and bettering the economic structure of the province. The reduction of this absolute difference in income will require an even greater and more concerted effort which will only be successful in the long-term.

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[3] Earned income excludes government transfer payments, interest, dividends and net rental income.

Employment Target

Between 1964 and 1968 the growth of the labour force is expected to be 6,300 persons. Besides providing employment for the anticipated increase in the labour force it was considered desirable to reduce the annual rate of unemployment to five per cent. It was realized that the current high level of unemployment could not be reduced to more tolerable levels in only four years in view of the chronic and deep-seated nature of Nova Scotia's unemployment problem. It was further considered desirable to reduce the present underemployment caused by those who suffer from severe seasonal unemployment or those who are forced to work in marginal occupations through lack of alternatives. While no estimate of total underemployment has been made it is thought to be quite large. During the first planning period it was thought that the provision of 2,000 new jobs for the underemployed was a reasonable target. The employment in primary agriculture and fishing as well as mining is expected to decline by 1,800 over the period resulting in a further increase in the number of new jobs needed. In consideration of these four factors, a target of 3,400 new jobs annually or a total of 13,600 jobs over the planning period is required.

The challenge that the target provides can be demonstrated when it is compared to the rate of increase in employment in the past. During the four-year period, 1960 to 1964, the economy has been providing an average increase in employment of 2,100 jobs per year. The target requires approximately a 70 per cent increase over this past performance and an annual increase in employment of 1.5 per cent, double the expected rate of growth of the labour force.

Of these 3,400 new jobs per year, manufacturing should provide 1,600 with the remaining 1,800 being provided by the supporting and services sectors, with the latter providing the majority. The biggest challenge is to secondary manufacturing. In this sector the target is 1,300 new jobs annually. Since 1960 the average annual increase has been 500 jobs. If the province's industrial-promotion efforts and their ratio of successes remain the same in the planning period as they have in the past two years, then there will be an additional need for 200 to 300 new jobs annually in secondary manufacturing.

While an unemployment rate of five per cent is chosen as a target for the first planning period, it is foreseeable that, although the target of

3,400 new jobs is provided for over the planning period, the rate of unemployment may still be higher than five per cent in 1968. This could result from a larger absorption of underemployment than has been assumed. This has happened in other regions of the world where there have been large amounts of underemployment.

Capital Investment Target

Since 1948 the level of per capita annual new investment in Nova Scotia has been approximately 60 per cent of the Canadian average, the lowest of all the provinces The business investment portion of total new investment has been just over half of the Canadian average. The margin in per capita new investment between Canada and Nova Scotia has increased from $157 per capita in 1948 to $212 per capita in 1964 (Figure 6) [4].

While no information is available on the level of capital stock in the province, and thus capital to labour and capital to output ratios, it is obvious that it is lower than the Canadian average even taking into account the differences in the type of output mix. In order to increase per capita personal income and employment as well as provide for additional capital expenditures which will arise in carrying out the suggested policy recommendations for the planning period, a significant increase in new capital investment is needed.

A target of $380 million for new capital investment expenditures in Nova Scotia in 1968 has been selected as desirable. This will mean an annual growth rate of 9.2 per cent. The average annual growth rate has been 5.5 per cent from 1947 to 1964.

To relate this target to the one established for the Canadian economy by the Economic Council of Canada, will require changing to a per capita relationship. The Nova Scotia target for new capita expenditures would necessitate an 8.1 per cent annual average increase in these expenditures on a per capita basis over the 1964 to 1968 period to reach $480 in 1968 (line B, Figure 5). This compares with an annual average increase of 4.2 per cent in the 1948 to 1964 period (line A). The target for Canada established by the Economic Council of Canada implies a 6.1 per cent average annual increase to 1968 as compared to a past annual growth of 4.8 per cent (1948-64). The target for Nova Scotia implies that new investment per employee will increase by one-third over the same period. In relation to the Canadian target, the 8.1 per cent annual increase in Nova Scotia implies a narrowing of the present gap between per capita investment in Canada and that in Nova Scotia by five per cent to 67 per cent of the target for the nation at the end of the first planning period.

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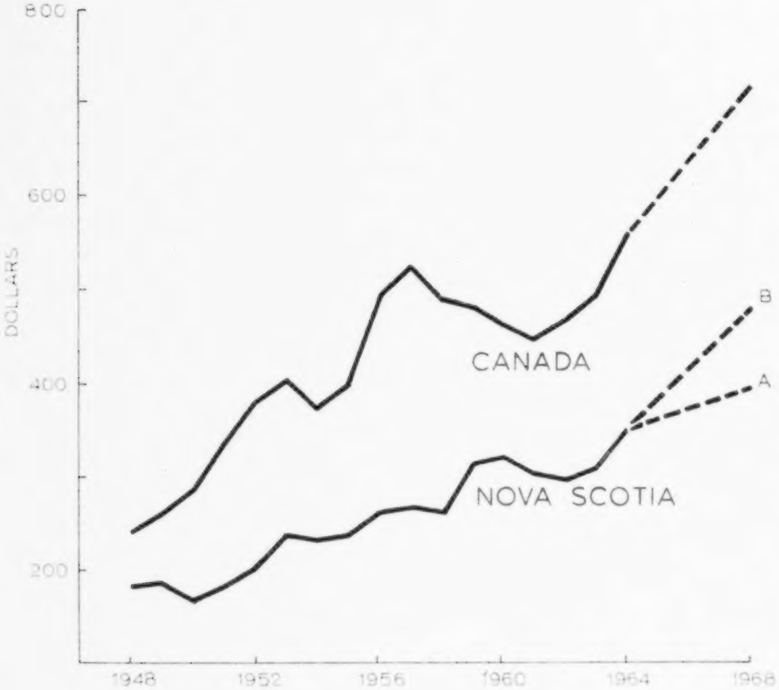
[4] The quantitative data are based on current dollars for the lack of a reliable deflating index.

FIGURE 6

PER CAPITA NEW INVESTMENT

(CURRENT DOLLARS)



SOURCE: Based on data from the Dominion Bureau of Statistics, projections by Voluntary Economic Planning, projections for Canada based on the goals established by the Economic Council of Canada.

It will require a tremendous effort on the part of Nova Scotia to approach this target. The target requires an almost doubling of the rate of growth in per capita investment, as well as a reversal of past performance. In the past when Canada's per capita investment has increased rapidly (e.g., 1947-53, 1954-57) Nova Scotia's has not kept pace, declining to as low as 51 per cent of the Canadian average in these periods.

Structural Changes

Together with the attainment of specific numerical targets, certain structural changes in the economy are desirable. The structure is examined first on the basis of changes in the economy's inputs and outputs and, second, on the changes desirable in the geographical distribution of the province's economic activities. The former aspect has been emphasized throughout the previous sections and will, therefore, be treated briefly. The latter aspect is introduced for the first time and will be covered in more detail.

Since the resource sectors will be unable to provide significant increases in employment opportunities and at the same time provide higher incomes for those employed, the proportion of total employment provided in these activities should decline. There should be absolute declines in primary agriculture, fishing and mining, with agriculture and mining providing the largest decreases. Primary forestry is the exception, with employment increases expected as a result of expansion in pulp and paper processing activities. The processing activities of these sectors should provide small additional employment, the largest occurring in fish processing.

Secondary manufacturing should account for an increased proportion of total employment as well as a rise in the total number of jobs available. Within the sector there should be increased employment in those industries with the highest level of productivity.

In all the supporting sectors except electric power, there should be slight increases in employment but little change in these sectors' relative share of total employment.

The service sector should provide the largest increase in employment, particularly in the fields of education and health. However, little change should occur in their relative share of total employment.

Over the planning period there should be a trend towards larger scales of production, particularly in certain segments of the agriculture, forestry and fisheries sectors, and a larger proportion of capital relative to labour in the production process.

The output of the economy should become more diversified to insulate the economy against the effects of shifts in demand. The proportion of raw materials and semi-processed goods to processed goods produced should decline.

These changes in employment, capital and output should result in a higher level of productivity and income at the end of the planning period.

Through the increase of other types of economic activities in the province, the economy should be further strengthened by the declining relative importance of some of the predominating unstable industries and of defence.

The Board, in formulating policies and setting goals for the economy as a whole, could not overlook the geographical or regional considerations of the province's proposed economic development. As well as recommending policies to provide a better and more viable economic structure as has been outlined above, it was thought that much could be done to improve the geographical aspects of the province's economic activities to enhance the overall growth.

The type of policy which should be pursued on this aspect of development must be consistent with the goals set by the Board for the whole provincial economy. Based on these goals the following guidelines were established:

1. a share of the economic growth by all regions of the province;
2. the improvement of the standard of living in all regions;
3. the improvement of employment opportunities in all regions;
4. the improvement of services (for example, health and education) in all regions;
5. the optimum use of the human and physical resources in all regions; and
6. the optimum use of each region's potential for economic development.

In order to achieve these objectives, the Board concluded that a certain amount of cencentration of economic activities is necessary. The present distribution of population has resulted from the province's historical development. In the past when the present population distribution was established, most of the province's income came from primary industries and to a lesser extend from secondary manufacturing operations. At that time, these scattered activities could be operated on a small scale on an efficient and competitive basis. The province's thinly scattered population was then not a deterrent to economic growth. However, technological advance and the demand for better services have changed these conditions. Modern technology requires economic activities to be carried out on a larger scale in order to reach optimum efficiency and to provide maximum income. High-quality services can be provided efficiently only in areas where there is a sufficiently large population to warrant the high expenditures necessary for their establishment. In order to provide a higher standard of living through better employment opportunities, and better educational facilities and other services for Nova Scotians, a long-term shift in the distribution of economic activities is necessary. The benefits to economic development of a certain degree of concentration are obvious when the growth of other areas of the country, where this condition already exists, is examined.

Strong support for a policy of increased concentration appears in the recently published Second Annual Review of the Economic Council of Canada. Specifically, the Council recommended the encouragement of "efficient agglomerations of activity—growth centres—within different regions in order to achieve increasing economies-of-scale, larger markets and more useful pools of skills, and to avoid uneconomic scatter and dispersion."

In formulating policies aimed at concentrating the distribution of economic activities in the province, the Board realized it is not starting something new. The past trend in the movement of the province's population has been one of concentration, a shift from rural to urban areas (urban areas being defined as towns of a population of 1,000 or more). It is not meant that all rural areas will or should become uninhabited. However, it is recognized that if the income level of the population is to be raised, there must be an accelerated shift of employment out of these rural areas as they can provide productive employment for only a small proportion of the province's population.

In order to meet its objectives, the Board decided that it must go beyond the concept of establishing one or two centres where economic activities are concentrated. Three concepts of concentration have been established: the industrial development centre, the service centre, and the resource centre. By using these three concepts, a more comprehensive approach is taken since concentration is planned to serve the needs of all regions of the province.

An **industrial development centre** is a centre large enough to support a diversified industrial base which will enable it to generate self-sustained economic growth over time. The industrial base should be composed primarily of secondary manufacturing enterprises. Specifically the centre should include cornerstone secondary manufacturing industries around which industrial complexes can be built. A cornerstone industry is one which produces products on a large scale and, by its very nature, attracts other plants to locate near it to provide it with manufactured inputs and/or to utilize its products for further manufacturing. An example of a cornerstone industry which uses large quantities of manufactured inputs in its own manufacturing operations, but chooses not to make these inputs itself, is a major automobile assembly plant. If such a plant is large enough, it will attract other plants to provide its manufactured inputs. An example of a cornerstone industry which attracts other plants to use its products for further manufacturing is a petroleum refinery. In each case the establishment of the cornerstone industry has a large economic impact on the centre, first by its size, and secondly by its ability to attract other plants and industries around it. Such cornerstone secondary manufacturing industries usually locate in areas where large pools of skilled labour, specialized training programmes, research and transportation facilities, specialized business services and other services are readily available.

A **service centre** is a concentration of service industries. Such a centre would provide services to its surrounding region. The service centre should provide a range of high-standard services of a type usually found only in larger urban areas. The centre's ability to provide such services depends on their concentration in one area rather than scattered throughout the region. The services should include specialized educational facilities, a large range of health services, efficient transportation and communication systems, specialized shopping facilities and specialized business and professional services, as well as other public and private services. The concept of the service centre does not mean it would be desirable to move all services from the region into the region's service centre. For example, certain types of educational and shopping facilities would remain scattered throughout the region depending on the region's population distribution. However, the centres would provide those services which require larger concentrations of population. A system of service centres would raise the standard of living in areas where services of the types envisaged are not now available. It would reduce the cost to government by enabling the construction of fewer, but more efficient (because of size and specialization) schools and hospitals.

Most service centres will contain some manufacturing industries. Their status as service centres, together with the development of these services, will encourage additional industrial activity by making these centres more attractive as locations for new industry. However, the types of industries locating there will be different from those forming industrial complexes in the industrial development centres.

The third concept is that of the **resource centre.** A resource centre is a concentration of primary processing industries. It concerns itself principally with the processing of local natural resources provided by the primary sectors of agriculture, forestry, fishing and mining. An example of a resource centre is a fish processing centre where a large number of trawlers and other vessels supply the raw material in sufficient quantity to permit operation of efficient large-scale modern harbour facilities.

vessel services and maintenance. Wood processing, with maximum use of waste materials, agricultural and mineral processing should all be concentrated where possible for similar reasons.

In practice, these three concepts of the industrial development centre, service centre and resource centre overlap to some extent. All three functions are found, for instance, in the Halifax-Dartmouth and Sydney-Glace Bay areas, where the support of a large diversified industrial base, provision of a wide variety of services for the surrounding region, and the concentration of a processing industry exist.

The service centre fills the gap between the rural districts and the industrial development centres with their metropolitan characteristics. If the economy consisted of a few industrial development centres and generally neglected regions without service centres, these regions would fall further behind economically and would constitute a burden on the rest of the economy and a waste of possible potential. It is intended that the service centre prevent such a condition from occurring.

The development of Nova Scotian communities in line with these three concepts is already evident. For example, among others, Truro, Amherst, Kentville, Antigonish and Yarmouth are service centres and Lunenburg and the Strait of Canso area are already resource centres.

The objective of the Board is to reinforce these trends. The establishment of such centres throughout the province will strengthen the whole economy. The selection of specific communities which would best fulfill these functions is the long-term policy of the Board. However, more analysis must be done before all such communities can be specified. The limited financial resources of the province preclude the establishment of all three types of centres simultaneously in the first planning period.

The importance of secondary manufacturing in raising the province's standard of living through the provision of increased productive employment is emphasized throughout the First Plan. In order to accomplish these objectives, priority is given to developing industrial development centres.

POLICIES FOR FUTURE GROWTH

In order to change the status quo, policies must be made which will change the course of development toward achieving overall economic efficiency and reaching the employment targets. Policies are thus made to positively affect the growth of secondary manufacturing, which is the basis for provincial economic growth. Policies are also aimed at improving the institutional framework under which the economy must operate.

Sector policies are made in order to achieve the desired economic improvements implied by the selected goals for planning.

Policies for the Accelerated Growth of Secondary Manufacturing

In order to realize the goal of accelerated growth in secondary manufacturing in Nova Scotia, increased concentration of industrial activities should be encouraged by the Provincial Government.

Those areas which have demonstrated a real potential for growth should be recognized and designated as industrial development centres.

Definite action should be taken to make these centres especially attractive to secondary manufacturing. The functions of provincial agencies involved in this endeavour must be clearly defined so as to ensure co-ordination of effort. Every attempt must be made to increase productivity levels in the secondary manufacturing sector and factors affecting these levels should be examined in depth.

Establishment of Industrial Development Centres—The establishment of these centres will require the adoption of certain policies to ensure that these centres become attractive locations for cornerstone industries and industrial concentration. These policies relate to financial incentives, industrial parks, community planning and housing. While industrial development centres are given priority and these policies are directed solely to their establishment, other communities in the province have a particular appeal to certain types of industry. These localities should not be overlooked for general expansion of the secondary manufacturing industry in the province. Communities such as these should be encouraged to establish their own industrial planning commissions and parks in co-operation with provincial agencies. Industrial Estates Limited should continue to promote the whole province and the communities should continue to attract industry which finds the larger industrial development centres unattractive for their operations.

The development of industrial development centres is of paramount importance to the whole economy of Nova Scotia. In some instances, industries may wish to become established outside of these areas of concentration, and every assistance should be given to their establishment. However, no measures or policies which adversely affect the potential for growth of the industrial development centres should be instituted.

Financial incentives should be offered to industries locating in all industrial development centres. Incentives are already available throughout the province, with the exception of the Halifax-Dartmouth area, through the federal Area Development Agency. Similar incentives should be offered in this centre. The Area Development Agency has a national programme applied consistently across the country. Federal officials have stressed repeatedly that the Area Development Agency programme cannot be altered solely to discriminate in favour of the Halifax-Dartmouth area. However, it has been emphasized by those concerned with economic development, including the Economic Council of Canada, that growth of the national economy is best fostered by balanced regional growth. It is further realized, in order to accompilsh this objective, that growth in lagging regions is best obtained by developing those areas within the region which have the most potential. The present programme of the Area Development Agency does not recognize such a principle. Efforts should be made to change the policy of the Area Development Agency programme so that it will be in accordance with this principle, that is, the whole Atlantic Region should be a designated area under the Area Development Agency Programme. The Atlantic Development Board in its forthcoming plan for the region should also stress the necessity of such a change.

Until such a change is implemented it is recommended that funds be made available for this purpose by the Atlantic Development Board which was created specifically to assist with the economic revitalization of the Atlantic Region. Industries locating in the Halifax-Dartmouth area would thus be eligible for capital grants from this fund equivalent to those available under the Area Development Agency programme in the rest of the province. Adoption of the proposal will mean that equivalent financial incentives will be available to industries locating anywhere in Nova Scotia.

Industrial Estates Limited should, among its other functions during the period of the first plan, establish and operate industrial parks in the industrial development centres. Similar parks might be established elsewhere in the province at a later date. As the Sydney-Glace Bay area is the largest metropolitan area in the Island of Cape Breton, Industrial Estates Limited should establish a park there as soon as possible. The Provincial Government should ask the Atlantic Development Board to assist in the financing of a Sydney industrial park through the provision of land and services. This park should be turned over to Industrial Estates Limited for management. All industrial development centre parks should be expanded according to need. Each might emphasize a particular "mix" of industries in order to enhance its attractiveness. This possibility should be investigated by Industrial Estates Limited in conjunction with the appropriate provincial economic and market research agencies noted below.

A building of the "advance factory" type will be available in the New Glasgow area when Clairtone moves into its permanent quarters. Industrial Estates Limited should pay particular attention to the attraction value of this building as a guide to the feasibility of future construction of similar structures in advance of known demand in the industrial parks. If the New Glasgow factory proves successful as an added form of inducement to new industry, Industrial Estates Limited should give consideration to a policy of maintaining continuously one advance factory in each industrial park. These buildings might be used for short-term warehousing purposes during those periods in which they would otherwise be vacant.

Environmental improvements in the industrial development centres should be given a high priority by the Provincial Government through the Community Planning Branch of the Department of Municipal Affairs. Regional planning commissions already exist in some centres. Their work should be given every possible encouragement. A much closer degree of liaison and co-ordination is desirable between economic planning and physical planning. It is suggested that the Community Planning Branch request the regional planning commissions in the industrial development centres to invite appropriate members of the Board to sit in on their meetings in an advisory capacity. It is suggested that arrangements be made for continuous liaison between the professional staff of Voluntary Economic Planning and the professional regional planners.

Plans should be formulated jointly by the regional planning commissions, the Community Planning Branch, the Nova Scotia Housing Commission and the Central Mortgage and Housing Corporation to ensure that adequate and suitable low-cost housing is available in the industrial development centres as needed for the expected influx of factory workers.

Immediate attention should be given to the types of secondary manufacturing industry that might be attracted to the industrial development centres. A special economic research unit should be established in the government service for this purpose. This unit should start, at the earliest possible time, detailed industry feasibility studies, focussing on matters such as location determinants, minimum and optimum plant sizes, markets, production processes, linkages with existing and prospective industries, productivity levels, capital requirements and transport needs. Research results would then be turned over to Industrial Estates Limited, which at present does not have such information at its disposal. If such data were provided, the promotional effort of Industrial Estates Limited could become even more effective in reaching the goal of accelerated economic growth. In other words, the economic research unit would become part of a provincial research effort designed to make Industrial Estates Limited even more competitive as a promotional agency.

Particular attention should be directed to the concept of cornerstone industries. Such industries already exist in Nova Scotia, but related industrial growth of the type usually associated with cornerstone plants has up to now been disappointing.

The economic research unit should give priority to the research needs of the industrial development centres. It should recommend the types of cornerstone industries and industrial complexes that are best suited to these centres. At a later date, attention could be given to a much wider range of activities including the industrial growth potential of the many smaller urban centres in the Province. Staffing the economic research unit will not be easy. Competitive salaries must be authorized by the Civil Service Commission and a vigorous advertising programme must be undertaken.

Function of Provincial Development Agencies—It is essential that the functions of the three provincial agencies most closely concerned with secondary manufacturing—Department of Trade ind Industry, Industrial Estates Limited, and Voluntary Economic Planning—be clearly defined to eliminate misunderstanding and duplication of effort.

Industrial Estates Limited should continue to be the main promotional agency in Nova Scotia for attracting new industry. To date, its efforts have met with phenomenal success. It is not likely, however, that this extraordinary record can be maintained without adding significantly to the staff of the agency. Two points need emphasizing. First, development authorities stress that, normally, industrial promotion efforts achieve success at the rate of one new plant for each three and one-half man-year's work by promotional personnel. By this criterion, Industrial Estates Limited's record is abnormally good, and by definition, abnormal success is not likely to continue indefinitely. Industrial Estates Limited must be expanded if it is to continue attracting new industry to the province at past rates. Second, past rates of attraction must be increased over the plan period if the employment targets set out in the plan are to be achieved. In other words, the province must accellerate its promotional efforts.

Industrial Estates Limited should not confine its promotional activities to the industrial development centres. Such a limitation is neither necessary nor desirable.

It is recommended that Industrial Estates Limited remain solely a promotional agency. It should not be distracted by the burdens of additional responsibilities.

Voluntary Economic Planning should continue to be the main economic planning body in Nova Scotia. Until now, it has been concerned mainly with the formulation of medium and long-term economic plans. It's functions should be expanded to include the following responsibilities:

(a) Publication of a quarterly economic review which would feature tabular material and related commentary on current economic conditions.

(b) Publication of an annual economic report which would indicate the progress being made in meeting the plan objectives, the obstacles being encountered, and the means of removing them. This report could also present revised plan targets on an annual basis if such a procedure was felt to be desirable.

(c) Research into the development of new provincial economic data series to supplement those available from the Dominion Bureau of Statistics. Examples of desirable new economic information are (i) capital stock estimates and capital/output ratios by industry; (ii) profit levels by industry.

The Economic Services Division of the Department of Trade and Industry should continue to provide an advisory service to industrial and business firms in the province and elsewhere consisting of business information and market research. It should also continue to assist Nova Scotia municipalities in their development efforts.

Other provinces, e.g., Ontario, have been expanding the range of business information services available through their trade-promotion departments. Similar expansions are necessary in Nova Scotia in order to maintain a competitive position. The Economic Services Division should therefore prepare detailed proposals for those additional services which it considers desirable, showing estimated benefits and costs for presentation to Cabinet.

The Economic Services Division should continue to be the main market research agency in the Provincial Government servicing the general business public and other government departments and agencies including Industrial Estates Limited. The basic distinction between the Economic Services Division and the proposed economic research unit might be stated as follows: the former would initiate market research only upon request while the latter, being primarily an economic research body, would initiate market research in connection with specific industry feasibility studies when and as it saw fit. The Economic Services Division would be oriented towards serving industry; the economic research unit would be oriented toward basic economic research. In some respects, Economic Services might be considered as a buffer for the unit and against short-term distractions. Basic economic research proceeds best when it is undisturbed. Close and continuous liaison would need to be established between the two bodies for maximum efficiency and effectiveness.

The key factor in market research, apart from quality, is timeliness. The Economic Services Division is currently understaffed due, to a large extent, to the difficulties involved in recruiting economists and statisticians at existing salary levels. The Civil Service Commission should be asked to review its current salary schedules for professional staff and raise salaries to competitive levels as soon as possible.

The Economic Services Division should continue to be the main source of information in the Provincial Government on specific industrial inquiries.

The Department of Trade and Industry administers the Industrial Loan Act and the Industrial Development Act. It is highly desirable that the province be as flexible as possible in the pursuit of the general objective of increased economic growth. It is recommended that the Industrial Loan Act be reviewed by the department with a view to establishing whether or not it meets today's requirements in relationship with other financial inducements provided through other agencies.

Improved Productivity—The average level of productivity in the secondary manufacturing sector in Nova Scotia was considerably below the national average in 1962, the latest year for which figures are available. The reasons for this productivity gap, which is common in varying degrees to all broad industry groupings within the sector, have not yet been precisely determined. Much more detailed investigations will be necessary for this purpose. Preliminary research, however, points to three factors:

(1) the prevalence of "habit management" in Nova Scotia, including a need for more management training, not only for improved productivity in production, but for more aggressive and advanced marketing techniques;

(2) lower levels of capital investment per worker than elsewhere, indicating a need for the adoption of more capital-intensive industrial technologies; and

(3) lower levels of education than elsewhere indicating a need for more employee upgrading programs.

To some extent, these three factors are inter-related. Investigations to date have also revealed the following:

some of the most productive plants in Nova Scoita are branch operations of national or foreign companies. Usually, they are built to the optimum economic size, incorporate the latest technological developments and are run by managers using the latest management techniques.

The major factors affecting productivity levels in the secondary manufacturing sector should be examined in depth to confirm or deny preliminary findings and to suggest ways whereby productivity might be improved. The necessary studies will be complex and will involve contributions from knowledgeable people with a wide variety of backgrounds. The proposed economic research unit might be a suitable agency for this purpose. The Provincial Government should ask the Atlantic Development Board to support the project with technical and financial assistance. In the meantime, immediate action can be taken in two areas.

Firstly, increased efforts should be made to improve productivity in existing industries. Examples of measures which might be adopted are:

a) greater application of the proven work study techniques available from the Atlantic Region Work Study Centre at the Nova Scotia Technical College;

b) more widespread implementation of operations research and industrial engineering techniques;

c) improvement in the quality of industrial technology in many areas of secondary manufacturing—for example, numerical machine-tool control is still non-existant in Nova Scotia yet it offers a practical solution to some of the problems involved in short production runs and minimum economic size plants;

d) more emphasis on management improvement measures such as participation in the National Industrial Conference Board programme, possible formation of a provincial body similar to the new Manitoba Institute of Management, the Annapolis Valley project of the Dalhousie Institute of Public Affairs, or the joint foreman-training programme of Dominion Steel and Coal Corporation and National Sea Products Ltd. of Louisburg; and

e) greater stress on employee up-grading schemes such as the joint projects of the Departments of Education and Labour.

Secondly, special efforts should be made by Industrial Estates Limited to attract firms in industries which usually display very high productivity levels—e.g. petroleum products and chemicals.

The need for improved productivity in Canada as a whole and in the various regions is stressed repeadedly in the Second Annual Review of the Economic Council of Canada. It suggests that increased productivity is the key to the achievement of the national economic goals set for 1970 but warns that productivity must expand at a faster rate during the next five years than it did in 1964 and 1965 if these goals are to be realized. The lesson for Nova Scotia is obvious. Growth in provincial productivity levels in all sectors of the economy must exceed national growth rates if the competitive position of the province is to be improved. Increased productivity has been accorded a very high priority at the national level. It must be accorded an equally high priority in Nova Scotia.

Policies for an Improved Institutional Framework

In addition to policies which are designed to influence specific areas of economic activity there are others which affect the economy generally. The purpose of these other policies is to create a more attractive environment so as to encourage a faster rate of development.

Monetary and Fiscal Policy—In periods of national monetary restraint, and in the absence of excessive aggregate demand pressures in Nova Scotia, the Federal Government should make an effort to exclude the province from the full force of credit restrictions by (a) having the agencies of the Federal Government which provide credit, such as the Industrial Development Bank and the Central Mortgage and Housing Corporation, apply restrictive policies less severely in the province, and (b) encouraging the commercial banks to exempt the province from the full force of restrictions on credit availability.

It is recommended that the Provincial Government make a careful assessment of the likely capital spending needs of the province over the next decade, prepare a capital spending programme and assign priorities to the various projects planned. It is further recommended that the Provincial Government request the municipalities to do likewise, and consult with the Atlantic Development Board in an effort to obtain a similar programme of federal capital spending in the province. These three programmes should be incorporated into a comprehensive public capital spending plan to meet the needs of Nova Scotia in the most effective manner possible.

Commercial Policy—It is recommended that the Provincial Government make representation to the Federal Government urging the negotiation and implementation of agreements with the United States similar to the recent agreement respecting automobiles and original automobile parts but concerned with commodities of particular interest to Nova Scotia.

It is also recommended that the Provincial Government make representation to the Federal Government that in all future trade negotiations attempts should be made to gain concessions which will permit the freer flow of all products to foreign markets, which in turn will allow further processing of these products in Nova Scotia.

Transportation Policy—Because of the increasing significance of motor carriers in the transportation of materials and finished goods, it is recommended that the Provincial Government should initiate a plan of highway construction to provide the province in a reasonable period of time with an adequate system of all-weather trunk highways. Since such a plan is intended as an inducement to a faster rate of economic development, the Provincial Government should seek the financial assistance of the Atlantic Development Board.

Since in the foreseeable future a relatively large proportion of the province's manufacturing output is likely to depend on markets in the central part of the country, it is recommended that the Provincial Government, through the Maritimes Transportation Commission and by other appropriate means, should continue to maintain a critical examination of the adequacy of transportation facilities to these markets and of transportation costs.

As the fate of the port of Halifax will have a large bearing on the future growth of the province, it is recommended that investigation be made of the possible advantages that Halifax has, or could develop, over other Atlantic and St. Lawrence River ports. Huge bulk carriers could take advantage of the excellent harbour depths in Halifax, and, with rapid transportation to central Canadian points, could well give Halifax a competitive edge over other ports. As the Nova Scotia economy cannot support a full-fledged port, central Canadian and American overseas traffic should be encouraged to move through Halifax, which is the logical North Atlantic terminal for container service with the United Kingdom and Europe. Success in this endeavour would help bring industry to the area along with an increased and more diversified shipping service for Nova Scotia export commodities.

Defence Policy—It is recommended that the Provincial Government request the Atlantic Development Board, in co-operation with the Department of National Defence, to examine the implications for the province of the new defence policy and to suggest means of offsetting any detrimental effects which may appear as a result of the examination.

Education and Manpower Training Policy[5].—It is recommended that the overall system of education in the province should be planned to serve, among other things, the needs of the provincial economy. It should be of an open-ended nature, so that every opportunity is offered to the students, at all levels and at all ages, to achieve, either by formal full-time courses or by continuing methods, the highest possible levels. It is recommended that increased attention be given by all educational institutions to the provision of extension courses on both a full-time and a part-time bases.

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[5] See Appendix D for Education Advisory Council Interm Report to the Voluntary Planning Board.

Without decrying the splendid efforts of the Vocational and Technical Division of the Department of Education, it is evident that this division suffers from a lack of knowledge of the detailed needs of our existing and planned secondary industry. It is recommended that additional staff be provided so that a comprehensive study can be made of the needs of the economy in individual areas of the province. Additionally, a detailed appreciation is needed of the human resources in each area and an estimate of the potential of this population in terms of the various levels of technical and technological skills required by industry.

At least one course in post high school chemistry should be offered by September, 1967, by the Nova Scotia Institute of Technology in Halifax and provision should be made for such a course in each new institute of technology.

In order to implement an open-ended approach to vocational and technical training it is recommended that the institutes of technology and the universities provide night school courses, on an extension basis, so that graduates of institutes of technology will have the opportunity of studying for and writing the examinations of professional associations.

It is recommended that the universities offer direct entrance, with credit, to the very best graduates of the institutes of technology.

In providing night-school courses, on an extension basis, the vocational schools and institutes of technology should be urged to make use of competent part-time teachers, who may be employed by industry during the day. While there is a tremendous shortage of teachers in the province, every advantage must be taken of the highly skilled and trained supervisory personnel who would undoubtedly be willing to teach on a part-time basis at these night schools.

While it is axiomatic that all phases of industry will benefit from the research being undertaken at the universities, much of this research will, initially, be beneficial to industry only because of the atmosphere it creates in the local area. Universities should be encouraged to undertake research which will have an immediate influence on the development of new industries in the province, through the provision of research contracts by industry and the Provincial Government.

Sector Policies

The following section deals with some of the major recommendations of the voluntary committees engaged in the planning process. It is not the purpose here, however, to lay out the actual recommendations as such, but rather to highlight the main areas at which the recommendations are aimed. Discussion is broken down into the following sectors:

resource, secondary manufacturing, supporting and tourism. For a more detailed look at sector recommendations see Appendix "B" which sets out all recommendations in their entirety.

Resource Sectors—The resource sectors, especially in primary agriculture, forestry and fishing, suffer from low productivity. For example, the preponderance of small economic units with resultant inadequate capital investment potential, as well as a low-level utilization of modern technological methods make growth difficult. This results in the prevalence of low incomes for those involved in the resource sectors. In turn, low incomes hold down investment and the circle is completed. In order to break away from this circle more people will have to leave the primary resource sectors and find alternative employment in other sectors. Those people remaining in the resource industries must become more highly trained and must use modern methods in their operations. The mining industry has problems of under-utilization of potential natural resources as well as an insufficient number of manpower training programmes. A main area of concern is the coal industry which supports a large number of people and therefore deserves considerable attention in regard to policies for the future. The major recommendations of these sectors cover a wide area, including the formation of new government offices, resource inventories, studies and research, assistance policies and education.

The formation of new governmental agencies is suggested by both the Agriculture and Fisheries Sectors. The former recommends the setting up of a new Economics Division by the Department of Agriculture and Marketing to carry out studies necessary for the attainment of a more prosperous agriculture. The latter recommends that an extension service be established within the Department of Fisheries in order to speed communication of new methods and other pertinent data to the fishing industry, both primary and processing.

Both Forestry and Mining Sectors call for resource inventories. A reliable estimate of the volume of sawtimber, pulpwood, and other forest products is needed. The Mining Sector recommends that the mineral inventory now underway be accelerated to as great an extent as possible.

Several recommendations pertain to continued or new research and studies in the resource sectors. These include a study of forest taxation structure with the aim of preparing an improved system, and an examination of the entire movement of forest products within Nova Scotia. Studies and research related to the mining industry cover several areas including a ten-year period of exploration of Cape Breton National Park by the Nova Scotia Department of Mines in order to determine if any areas should be taken out as mineral land. It is also suggested that new coal extractive methods be sought by the Federal Government. Continuing surveys should be made of potential markets for Nova Scotia minerals and processed chemicals and it is stressed that research should be continued to ensure the retention of existing coal markets.

Financial assistance is recommended in two areas of the resource sectors, one in connection with agriculture, where a permanent feed freight-assistance policy is requested, the other dealing with the topic of coal subventions.

(For the report from the Special Committee on Coal see Appendix C)

The coal industry is faced with major problems. It is recognized that, barring unforeseen developments in entirely new extractive methods, this industry cannot become competitive in the foreseeable future. Consequently, subventions must be continued to enable the industry to survive. Moreover, this industry, which still provides the main support for the Cape Breton economy, must be perpetuated until new replacement industries can be established to support the region. Otherwise, the socio-economic impact would be disastrous, not only to the region directly involved, but to the entire province as well. To guard against this situation, the Mining Sector has called for accelerated efforts to establish viable new industries in the mining regions. The sector further recommends that the Provincial Government be requested to ensure that a measure of control is exercised over any public funds advanced by it to the coal mining industry.

All of the resource sectors are concerned with improving educational programmes. The need for on-the-job and vocational training for woods workers is stressed by the Forestry Sector while the Fisheries Sector proposes a programme of on-vessel training for those fishermen who cannot attend the Fisheries Training Centre in Pictou.

Both the agricultural and fisheries groups feel that representatives from their respective fields should visit high schools to explain to students the career opportunities that are available in agriculture and fisheries when modern technology is applied.

In connection with training for careers in agriculture and fisheries it is suggested that candidates have experience in these fields prior to entering school. The Pictou Fisheries Training Centre should concentrate on up-grading those men already in the industry. The Nova Scotia Agricultural College should be expanded to accomodate more students and its general policies should be revamped to encourage those students who intend to make a career in agriculture.

In addition, education and training programmes are called for by the Mining Sector that will retrain the existing mine labour force, where desireable, and new entrants to the labour force. These programmes should be so designed to enable the graduates, not only to become more productive when employed in the mines, but equally important, to provide them with an additional range of skills that will fit them for careers outside of the coal mines.

Two other major recommendations come from the resource sectors. The Forestry Sector calls for initiation of cutting practice regulations on a district basis and the initiation of replanting schemes for areas on which regeneration of desirable species does not occur. The Fisheries Sector recommends that immediate attention by industry and government be given to up-grading the proposed qualifications for licensing skippers, mates and engineers.

Secondary Manufacturing Sector—Manufacturing in Nova Scotia has expanded greatly in the last 10 years; however, one of the major problems is lack of being able to take advantage of economies-of-scale in production. Although unemployment levels in Nova Scotia are higher than the national average there is, at the same time, a shortage of qualified labour for an expanding manufacturing sector. In order to employ modern methods of production it is necessary to have a highly trained labour force.

Steel production is a major part of manufacturing in Nova Scotia and the Board, realizing that realistic economic planning would require detailed information regarding the future of the steel industry in the province, requested that a working committee be formed to assess the future of this industry. Although a detailed report has not been submitted, present available information has led the Board to the conclusion that volume in the steel industry will be maintained at levels appreciably above those of 1964 and 1965. (See Appendix E for further information).

The Secondary Manufacturing Sector's main recommendations deal with improving co-operation and efficiency within the industry as well as with educational programmes. Small businesses, because of their size, are unable to employ highly developed and specialized management skills. The sector calls for increased use of the many skilled services offered by government, educational and industrial organizations. It is also recommended that small firms, when faced with similar problems, could engage the help of management consulting services on a joint basis. Further, to improve their competitive position it is recommended that serious attention be given to standardization and improvement of product design, to the preparation and distribution of adequate sales brochures and to aggressive, personal-contact sales promotion.

Educational recommendations are made and it is suggested that more in-plant training should be promoted by the federal and provincial departments of labour and that vocational and trade school curricula should be consistent with the needs of industry.

Supporting Sectors—The supporting sectors include power, construction, and transportation and communication. In order for there to be a reasonable growth in the goods-producing sectors to fill the needs of industry, the supporting sectors must provide the necessary complementary services. In the supporting sectors, co-ordination, efficiency and long-range planning, both by government and industry, have not always been employed as much as possible. Full co-operation will be required for integrated growth of the provincial economy.

The Power Sector recommends improvement in the method of inspection of wiring by the utilities. At present, inspection standards are not uniform throughout the province. It stresses the need for stricter regulations governing the training, examination and certification of electricians.

Greater efficiency in power generation is urged and recommendations are made for planning by Nova Scotia electric utilities toward serving Nova Scotia on an integrated basis, and for the location of thermal plants in the most economical production-cost area. Further, it is suggested that hydro sites should be developed where it is economically feasible.

The Power Sector feels that continued investigation and feasibility studies should be made regarding the possible extension of the interprovincial grid to Prince Edward Island and the eastern seaboard of the United States.

The Construction Sector also stresses the importance of co-ordination and efficiency as well as long-range planning by both government and industry. To achieve these ends it recommends a programme of research and development to determine the best means of reducing housing construction costs in Nova Scotia; the appointment of a new government director to co-ordinate and implement all those activities concerned with land use, housing, highways, urban renewal, public housing and other matters related to the house-building industry; adoption of the abbreviated form of the National Building Code of Canada by all municipalities in Nova Scotia; and increased long-range programming by all levels of government, as they are responsible for most construction. It is further suggested that allocation of funds for building and engineering projects be made early enough to permit all preparatory planning to be done so that tender calls can be made throughout the year.

The Transportation and Communication Sector, along with agreeing with the points in the institutional section on transportation, stresses the need for all-weather highways which will permit uninterrupted all-year use of the province's trunk highways. It emphasizes the importance of the province's transportation and communication system in complementing economic growth. It recommends an integrated effort to bring about the use of containers in cargo handling to provide a speedy and efficient movement of cargo to, from and through Nova Scotia ports.

Tourist Sector—The Nova Scotia tourist industry has grown rapidly in the last decade. Due to the lack of statistical data, it is difficult to measure this growth and to assess its impact on the economy of the province. Consequently, it is not easy to lay out adequate guidelines for the future development of the industry.

In certain areas of the province there is an obvious lack of facilities, including accommodations, food services and entertainment, for the summer visitor. Generally, such areas are located in those parts of the province in which activity bustles during the season, the shortness of which raises special problems concerning the providing of suitable facilities. The need for improvement in the management training and upgrading of employees engaged in the industry is recognized.

The Tourism Sector concerns itself mainly with recommendations for co-ordination of effort, public and private improvement of facilities, regulations and education. The industry is worth a great deal to the province, both financially and in terms of prestige, and a comprehensive research study is requested that would examine its many aspects, provide more factual information and point the way for better development.

The Provincial Government can assist by inspecting and licensing all establishments selling or serving food in the province and by imposing stricter certification regulations for cooks. It is emphasized that the Provincial Government should encourage good quality facilities including food services, accommodations, camping, and salt-water facilities. It should also help in the distribution of tourist brochures throughout the province.

It is recommended that there be an improved educational programme for people involved in the tourist industry, both at the management and employee levels. This programme should include the holding the seminars around the province for management, vocational courses in food service management, and an improved system of training of cooks. An educational manual should also be prepared to inform prospective tourist operators on the various aspects of the industry, while Boards of Trade should organize local educational programmes for employees in the retail trade.

IV

IMPLEMENTATION

Public and Private Agencies

Their Role in Economic Development

The private sector of the economy has a vital role to play in both the planning and implementation stages of a growth programme. A basic principle of voluntary economic planning in Nova Scotia is that the representatives of the private sector of the economy participate in the planning process on a purely voluntary basis and that the groups which co-operate to formulate plan also co-operate to implement it. On the sector and segment committees, and on the Voluntary Planning Board, representatives of the private sector greatly outnumber government representatives. They provide part of the information required for sound economic planning and they participate in making the basic decisions that are embodied in the plan.

The private sector is not without organizations with general or particular development functions. Several sectors of the economy have their own associations which attempt to promote their own industrial interests. The Boards of Trade and Chambers of Commerce cut across industrial and sector lines and are more generally concerned with the interests of the business and industrial community. The trade unions are primarily concerned with the welfare of organized labour.

The most broadly-based organization in the private sector is the Atlantic Provinces Economic Council, with membership representative of business, industry, labour, the professions and other groups. The Council:

1. carries on a programme of economic research in co-operation with national, regional and provincial bodies;
2. advocates and supports sound policies to promote a higher rate of economic growth in the Atlantic region;

3. co-ordinates, where possible, regional economic activities and promotes and maintains programmes in this field; and
4. informs and educates public opinion both within and outside the region as to the progress being made by the region and the possibilities for future development.

Many federal and provincial government departments and agencies along with municipalities also have responsibilities for economic development in Nova Scotia. The essence of planning is that the activities of these agencies should be co-ordinated toward the achievement of a common set of objectives. Such co-ordination is essential at both the planning and the implementation stages.

At the planning stage the Economic Council of Canada has the responsibility for:

1. advising how Canada can achieve the highest possible levels of employment and efficient production so that the country may enjoy a high and consistent rate of economic development and that all Canadians may share in rising living standards;
2. considering how national economic policies can best foster the balanced economic development of all areas of Canada; and
3. seeking full and regular consultation with appropriate agencies of the governments of the provinces.

The Atlantic Development Board is also a Federal Government agency with planning responsibilities. These responsibilities are:

1. to recommend programmes and policies for fostering economic development in the Atlantic Provinces; and
2. to prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region.

Although the Atlantic Development Board is required by legislation to consult with the Economic Council of Canada in the planning process, and while the Economic Council is required to consult with appropriate provincial agencies, it must be assumed that the greatest possible degree of co-operation will be established between the Atlantic Development Board and the provincial governments. Since the Atlantic Development Board has only recently entered the planning field, and since the Voluntary Planning Board has been charged with the preparation of a report at this time, only a limited degree of consultation has been possible with respect to this first Nova Scotia plan. However, this situation will change significantly in the future and the Voluntary Planning Board anticipates mutually valuable co-operation with the Atlantic Development Board.

Other agencies at both the federal and provincial levels which, it must be assumed, engage in some sort of planning to enable them to meet their development obligations effectively. However, three organizations, the Economic Council of Canada, the Atlantic Development Board and the Voluntary Planning Board have responsibilities for comprehensive planning as it affects overall economic development in Nova Scotia. It is obvious that there should be the greatest possible degree of co-ordination in the planning process among these three organizations.

For the implementation of policies for economic development there is an even larger number of government organizations. As has already been pointed out, the Atlantic Development Board, in addition to its planning responsibilities, has a development function. It is concerned with programmes and projects for fostering the economic growth of the Atlantic region and with keeping development policies under constant review. It has also been provided with a fund and is authorized to enter into agreements with the provinces respecting the use of the fund in financing or in assisting to finance projects in the provinces.

The Area Development Agency is a part of the Canada Department of Industry established to:

> formulate and implement programmes of assistance for development in designated areas of high unemployment, low income and slow rates of growth.

All of Nova Scotia except the Halifax-Dartmouth area has been so designated.

The activities of the Area Development Agency are co-ordinated at the local level by area development officers, each of whom is responsible for an area or a group of areas. The development officers have the responsibility of maintaining contact between the agency and local industrial, civic and provincial officials and of initiating an active industrial development programme.

> The Agricultural Rehabilitation and Development Act (ARDA): provides for a programme of alternate land use, soil and water conservation, and rural development and research, aimed particularly at alleviating the problem of low income in rural areas.

As originally drafted, the ARDA agreement gives the provinces the responsibility of initiating projects and programmes. The provinces implement the programmes and pay approximately half the costs involved. The main objectives of the ARDA programme and policies are established by the Federal Government in consultation with the provinces. Under new agreements recently made, increased emphasis is given to assistance to rural people to gain new employment or resettle in areas of better opportunity. The Federal Government may provide technical assistance and initiate and carry out research.

Each province in Canada has established its own ARDA officer to administer the provincial programme and to maintain contact with the federal administration. In addition, there are four regional ARDA offices, in the Atlantic Provinces, Quebec, Ontario and the Western Provinces.

Industrial Estates Limited (IEL) is a Nova Scotia crown company the purpose of which is:

> to encourage the promotion, expansion, diversification and development of industrial activity in the province.

The company operates independently of government direction and influence, subject to the customary principles which govern the relationship between a crown company and the government. Industrial Estates Limited devotes itself to the development of industry, and will not act in such a way as to endanger any similar industry now operating in Nova Scotia.

Industrial Estates Limited will finance the construction of a plant in a fully-serviced location and lease the plant on a non-profit basis, and the firm is given the option to purchase at a later date. The company will also participate in the financing of new equipment up to 60 per cent of its value. It will construct a plant to the incoming firm's specifications. Services such as water, power and roads are available on all sites, and if necessary IEL will provide surveys of transportation and markets.

In addition to these development agencies several departments of government, both federal and provincial, have responsibilities which either directly or indirectly relate to development. For example, both the federal and provincial governments have departments dealing with agriculture, forestry, fishing, mining and industry. Other departments have responsibilities in regard to financial policy, commercial policy, education and public works. These government departments, as well as the development agencies, must have a role in the implementation of a plan for economic development.

Agencies Responsible For The Implementation Of The Plan

Both the public and private sectors of the economy have important responsibilities for the implementation of a plan for development. In the public sector all three levels of government, federal, provincial and municipal have roles to play, but the Government of Nova Scotia, has the most direct powers and responsibilities. Quite apart from it being the local government, it has direct control over its own departments and agencies and over its own policies. The Provincial Government has authority, both direct and indirect, over the municipal governments. It has, for example, direct control over municipal borrowing, and it can, by grants-in-aid and by other means, influence the activities of municipal governments in the interest of the full implementation of the recommendations of this plan.

While the Federal Government has exclusive constitutional jurisdiction in certain fields, as has been previously pointed out, the federal and provincial governments share other jurisdictional powers. Also the Federal Government has accepted responsibilities which in the past have been exclusively provincial: for example, the Area Development Agency programme of direct grants to new and expanding industry in its designated areas.

A provincial government has the power of "moral suasion" in its relations with the Federal Government and by this means can encourage development of fiscal, manpower, and industrial-incentive policies which are consistent with the provincial plan for economic development.

Efficiency and effectiveness demand the maximum degree of co-ordination in relations between the Federal and Provincial Governments, and particularly those departments and agencies of the respective governments which have regular contact. The Federal Government has established the Atlantic Development Board with specific and exclusive responsibility to the Atlantic region, and each of the provincial governments in the Atlantic region have appointed liaison officers with the Board. Every effort should be made to utilize this agency as a channel of communication in the formation of programmes and policies for economic development.

One organization concerned with inter-provincial and regional co-operation within the Atlantic Provinces is the Atlantic Provinces Research Board, on which are represented the Atlantic Development Board, the Area Development Agency and administrators of the Agriculture Rehabilitation and Development Act. It was established to co-ordinate the programme of regional economic research, to prevent duplication in the economic research effort and to initiate research of general concern to the four provinces. The Atlantic Provinces Research Board could also perform a valuable function of co-ordinating economic development work in the Atlantic region, and therefore the Voluntary Planning Board recommends that the Provincial Government request the Atlantic Provinces Research Board to accept this additional responsibility:

> to assess the policy implications of various economic research studies and to transmit to the relevant policy-makers the conclusions resulting from these assessments.

In a democratic society the government has little direct control over the private sector of the economy. However, through the dissemination of information and through education the Provincial Government can encourage the private sector to adopt those attitudes and policies which are consistent with the attainment of the objectives of a plan for economic development. The Provincial Government can also, within the limits of its constitutional authority, enact legislation which will influence the activities of the private sector: for example, legislation respecting the conservation and utilization of natural resources.

This report has stressed the importance of reasonable industrial concentration for purposes of overall economic development. Government policy respecting industrial location can influence the private sector through the aegis of the Department of Trade and Industry and Industrial Estates Limited and other means, thus encouraging such concentration where it is in the general provincial interest.

The private sector has a strong voice in the planning process, as it is well represented on the segment and sector committees established by the Board.

The Board is charged with the responsibility of "watch(ing) the performance of the sectors in carrying out their plans . . .", and interprets this directive to mean the assumption of the co-ordinating role of these committees' efforts in attaining the objectives of the plan.

The First Annual Review of the Economic Council of Canada sets out specific growth targets which must be met by 1970. A large Canadian manufacturing firm undertook a study and published a paper indicating what its goals for employment, sales, productivity, research and capital expenditure need to be in 1970 if the company's growth is keyed to the targets set by the Economic Council. In the same way, the Canadian Electrical Manufacturers Association published a booklet to assist member companies to interpret for themselves the meaning of the First Annual Review of the Economic Council of Canada in terms of growth, employment and capital investment. In the same manner, the larger firms in Nova Scotia should be encouraged to determine what their policies should be for the attainment of the employment and production goals set out by the Voluntary Planning Board.

The organization of the private sector can also be enlisted to work toward the attainment of the objectives of the plan. Trade associations should become thoroughly familiar with those parts of this plan affecting their own spheres of activity and should encourage their industries to plan in the light of their findings. Boards of Trade, Chambers of Commerce and the professional associations should also be encouraged to do so.

The Board has already referred to the Atlantic Provinces Economic Council as the most broadly based of the organizations in the private sector. Every effort should be made to obtain and maintain the co-operation of the Council in the planning process and in the implementation of the plan.

It would not be realistic to expect that all the organizations and individuals, both public and private, would work in concert to implement a plan for economic development without some co-ordinating and directive force. The Board recommends therefore that:

> when the plan is adopted by the Government of Nova Scotia, either in whole or in part, each department of the Provincial Government and Industrial Estates Limited be directed to review the report carefully, to determine what implementation implies for the policies and activities of the department concerned and Industrial Estates Limited, and to prepare a document outlining the plans of that government body for the implementation of the approved recommendations.

These documents should be concerned with policies, policy changes, departmental activities, encouragement to that part of the private sector with which the department is concerned, dealings with other government agencies, and generally all matters respecting the implementation of the plan. The Board suggests that these several documents should be presented within two months to the cabinet, and passed on for detailed study to the body which is described below.

It is recommended that a committee composed of three cabinet ministers should be formed to be charged with the responsibility of advising the Provincial Government on economic development and implementation of the provincial plan. Specifically, the functions of this committee would be:

1. to expedite the implementation of the approved recommendations;
2. to ensure that the general economic policy agreed under the plan is borne in mind in the establishment of our government policies and procedures; and
3. to advise the Provincial Government accordingly when it is clear that priorities must be set in putting these recommendations into effect.

The Board feels strongly that maximum drive will be essential on the part of the public and private sectors if the plan is to be implemented to the full and without delay. To attain this end a strong lead will be needed from government at all times. It is believed that this committee will be able to assist in making such a lead clear and evident.

The Board would be remiss if it did not also consider the professional framework of the Provincial Government upon which it now depends for statistical and analytical information and upon which it will depend for even more specialized research and advice in carrying out the recommended programmes. It feels that the professional efforts must be co-ordinated if this is to be done in the most efficient manner, and recommends in a general way that the Provincial Government give consideration to consolidating those professionals concerned with economic planning and industrial development, other than Industrial Estates Limited personnel, within the governmental organization.

Finally, no amount of organizational structure will be able to spur implementation of the plan unless there is the right spirit and attack. At all levels, from the cabinet committee down, there must be an optimistic spirit and aggressive determination to make the plan a success. In the sectors and in the segments a large group of volunteers have been working for nearly three years to help the more rapid development of their own particular industry. In all of these committees there has been a drive to make their work successful, and this drive must not and cannot be relaxed.

A

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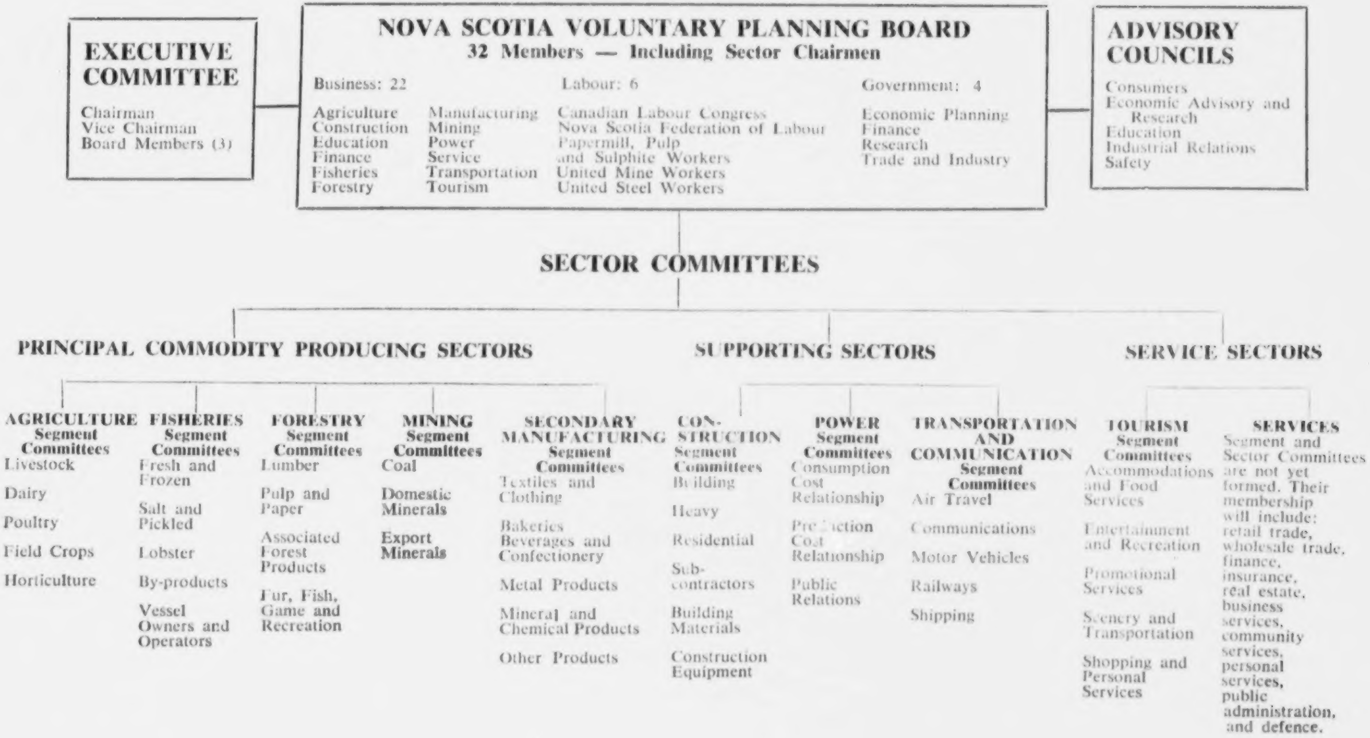
Note: In Appendix A * denotes chairman
** denotes secretary

ORGANIZATION CHART A - 1



EXECUTIVE COMMITTEE

Chairman
Vice Chairman
Board Members (3)

NOVA SCOTIA VOLUNTARY PLANNING BOARD
32 Members — Including Sector Chairmen

Business: 22

Agriculture
Construction
Education
Finance
Fisheries
Forestry
Manufacturing
Mining
Power
Service
Transportation
Tourism

Labour: 6

Canadian Labour Congress
Nova Scotia Federation of Labour
Papermill, Pulp and Sulphite Workers
United Mine Workers
United Steel Workers

Government: 4

Economic Planning
Finance
Research
Trade and Industry

ADVISORY COUNCILS

Consumers
Economic Advisory and Research
Education
Industrial Relations
Safety

SECTOR COMMITTEES

PRINCIPAL COMMODITY PRODUCING SECTORS

AGRICULTURE Segment Committees
Livestock
Dairy
Poultry
Field Crops
Horticulture

FISHERIES Segment Committees
Fresh and Frozen
Salt and Pickled
Lobster
By-products
Vessel Owners and Operators

FORESTRY Segment Committees
Lumber
Pulp and Paper
Associated Forest Products
Fur, Fish, Game and Recreation

MINING Segment Committees
Coal
Domestic Minerals
Export Minerals

SECONDARY MANUFACTURING Segment Committees
Textiles and Clothing
Bakeries
Beverages and Confectionery
Metal Products
Mineral and Chemical Products
Other Products

SUPPORTING SECTORS

CONSTRUCTION Segment Committees
Building
Heavy
Residential
Sub-contractors
Building Materials
Construction Equipment

POWER Segment Committees
Consumption Cost Relationship
Production Cost Relationship
Public Relations

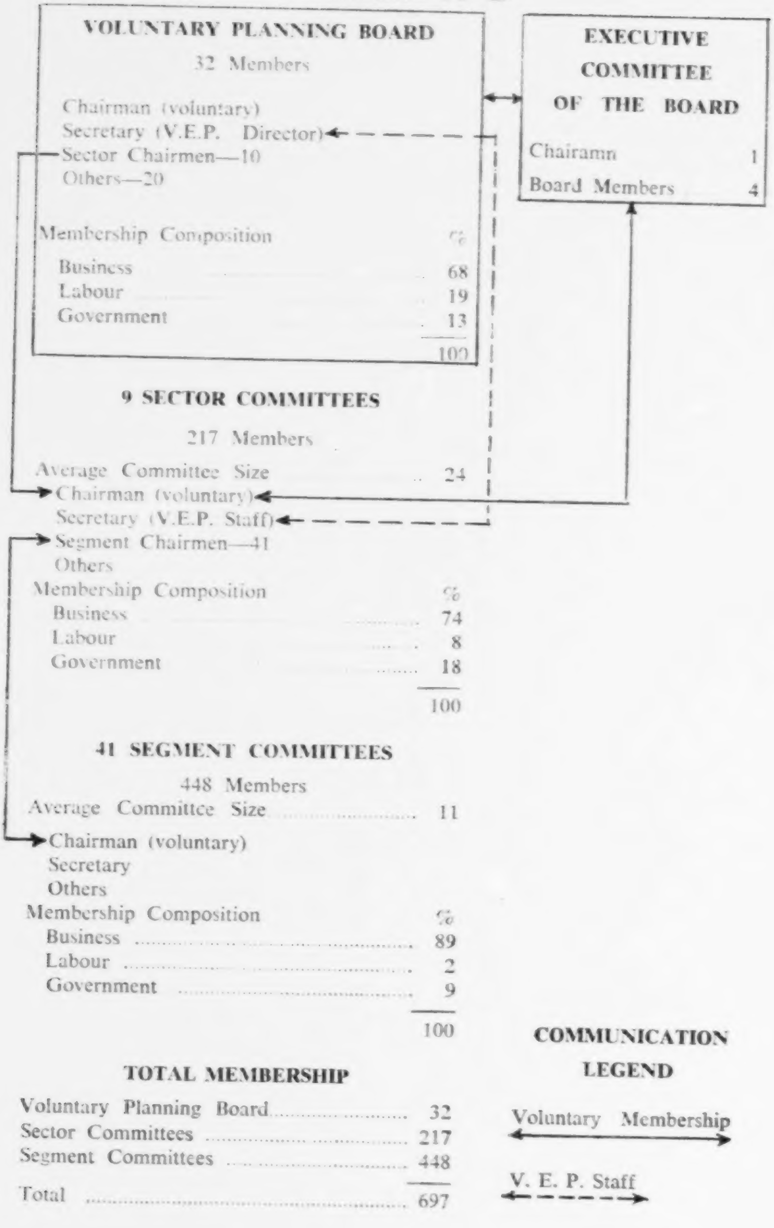
TRANSPORTATION AND COMMUNICATION Segment Committees
Air Travel
Communications
Motor Vehicles
Railways
Shipping

SERVICE SECTORS

TOURISM Segment Committees
Accommodations and Food Services
Entertainment and Recreation
Promotional Services
Scenery and Transportation
Shopping and Personal Services

SERVICES
Segment and Sector Committees are not yet formed. Their membership will include: retail trade, wholesale trade, finance, insurance, real estate, business services, community services, personal services, public administration, and defence.

CHART A-2



VOLUNTARY PLANNING BOARD

32 Members

Chairman (voluntary)
Secretary (V.E.P. Director)
Sector Chairmen—10
Others—20

Membership Composition	%
Business	68
Labour	19
Government	13
	100

EXECUTIVE COMMITTEE OF THE BOARD

Chairamn	1
Board Members	4

9 SECTOR COMMITTEES

217 Members

Average Committee Size 24

Chairman (voluntary)
Secretary (V.E.P. Staff)
Segment Chairmen—41
Others

Membership Composition	%
Business	74
Labour	8
Government	18
	100

41 SEGMENT COMMITTEES

448 Members

Average Committee Size 11

Chairman (voluntary)
Secretary
Others

Membership Composition	%
Business	89
Labour	2
Government	9
	100

TOTAL MEMBERSHIP

Voluntary Planning Board	32
Sector Committees	217
Segment Committees	448
Total	697

COMMUNICATION LEGEND

Voluntary Membership ⟷

V. E. P. Staff ⇠ – – – ⇢

Appendix A

VOLUNTARY PLANNING BOARD

A. E. Balloch	Liverpool
E. D. Brown	Halifax
D. G. Burchell	Bras d'Or
R. B. Cameron	Halifax
J. E. Clubb	Montreal
W. W. Downie	Halifax
H. D. Fairn	Wolfville
A. A. Ferguson	Pictou
C. D. Fraser	New Glasgow
E. L. Goodfellow	Halifax
W. D. Hagen	Amherst
A. R. Harrington*	Halifax
Dr. G. W. Holbrook	Halifax
F. C. Hudson	Bedford
R. B. Killam	Yarmouth
V. M. Knight	Halifax
W. J. Logie	Halifax
J. R. Lynk	New Glasgow
G. C. McDade	Hantsport
J. H. MacKichan	Halifax
Rev. J. N. MacNeil	Antigonish
W. H. Marsh	Glace Bay
J. R. Mills**	Halifax
A. Murray	Trenton
S. V. Nichols	Berwick
B. H. O'Neil	Sydney
Dr. H. D. Smith	Halifax
C. H. Sproule	Truro
G. C. Thompson	Halifax
G. S. Unwin	Halifax
H. J. Waisglass	Toronto
C. A. Webber	Brooklyn

AGRICULTURE

SECTOR COMMITTEE

A. E. Calkin	Kentville
C. A. Corkum	Port Williams
H. F. Curry	Halifax
C. S. Dickson	Moncton
G. S. Ells	Sheffield Mills
W. A. Flemming	Truro
W. V. Grant	Truro
W. R. Griffin**	Halifax
Dr. W. A. Jenkins	Truro
G. N. Keddy	Halifax
S. E. Lewis	Halifax
F. S. MacDonald	Pictou
J. MacNeil	Truro
R. J. MacSween	Antigonish
J. R. Mills	Halifax
S. V. Nichols*	Berwick
C. Parker	Aylesford
J. E. Peill	Canning
A. Porter	Port Belcher
S. C. Prescott	Halifax
J. A. Reeves	Sydney
Dr. F. W. Walsh	Kentville

Appendix A

SEGMENT COMMITTEES

DAIRY

W. Coldwell	Bras d'Or
D. S. Cox	Truro
H. F. Curry*	Halifax
W. F. Jewers	Halifax
A. J. MacKenzie	Antigonish
B. D. MacKenzie	Middleton
C. G. MacLennan	Truro
T. A. Murray**	Truro
W. D. Wetmore	Annapolis Royal
D. J. Wile	Bridgewater

FIELD CROPS

G. S. Ells*	Sheffield Mills
G. S. Fisher	Amherst
H. L. Gates	Canning
J. E. Milligan	Truro
M. E. Mosher	Up. Musquodoboit
E. D. Munro	Halifax
O. H. Parker	Truro
J. E. Shuh**	Truro
J. W. Steele	Scots Bay

HORTICULTURE

A. E. Calkin*	Kentville
K. Canning	Parrsboro
D. Ells	Kentville
H. H. Foote	Cambridge Sta.
H. L. Gates	Canning
L. Green	Halifax
G. B. Kinsman**	Truro
F. Marriot	Falmouth
R. J. McGrath	Hantsport
J. MacNeil	Truro
R. A. O'Brien	Halifax
R. H. Ripley	Oxford Junction
E. M. Riteey	Halifax
G. I. Webster	Cambridge Sta.

LIVESTOCK

V. Aylward	Windsor
C. S. Borden	Lower Canard
R. St. J. Chisholm	Brierly Brook
S. L. Curtis	Truro
C. A. Douglas**	Truro
D. Fisher	Shinimicas
W. A. Flemming	Truro
H. Larsen	Berwick
D. E. McLeod	Meadowville
A. Porter*	Fort Belcher
H. Vaughan	Windsor Forks

POULTRY

A. L. Blenkhorn	New Minas
H. Clark	Woodville
C. V. Ellis	Bedford
D. C. Ells	Port Williams
H. B. Fuller	Hortonville
R. L. Fuller	Port Williams
R. J. Hiltz	Bridgewater
D. Roy MacDonald**	Truro
F. McAulay	Glace Bay
S. C. Prescott*	Halifax
J. D. Rogers	Halifax

CONSTRUCTION

SECTOR COMMITTEE

R. A. Doyle	Halifax	N. Lynk	Glace Bay
A. F. Duffus	Halifax	G. P. Miller**	Halifax
T. R. Francis	Halifax	H. K. Mosher	Halifax
G. A. Hooper	Dartmouth	E. M. Mosher	Liverpool
J. A. Houston	Halifax	J. W. Stephens	Sydney
F. C. Hudson*	Bedford	R. C. T. Stewart	Halifax
S. W. Kenney	Yarmouth	A. B. Thompson	Halifax
G. N. Kent	Halifax	D. C. Tibbetts	Halifax
R. F. Kent	Bridgewater	J. P. Vaughan	Halifax
D. W. Latimer	Truro	P. E. Wile	Bedford
V. H. Legg	Halifax		

SEGMENT COMMITTEES

HEAVY CONSTRUCTION

F. C. Hudson	Bedford	L. W. Smith	Halifax
J. Jay	Halifax	J. P. Vaughan	Halifax
D. W. Latimer	Truro	P. E. Wile	Bedford
E. S. Schofield	Shelburne		

BUILDING CONSTRUCTION

D. B. Dorey	Halifax	S. M. Rigby	Dartmouth
A. F. Duffus	Halifax	R. H. Shaw	Halifax
G. A. Hooper	Dartmouth	A. G. Smith	Truro
Prof. V. F. Lyman	Halifax	R. C. T. Stewart*	Halifax
G. W. Miller	Halifax	V. C. Woodworth	Kentville

RESIDENTIAL CONSTRUCTION

T. R. Francis	Halifax	T. M. MacKay	Halifax
R. A. Garrod	Halifax	J. B. Sawyer*	Halifax
D. R. Hayman	Stellarton	L. B. Stevens	Halifax
F. E. Hiltz	Liverpool	T. R. Smith	Halifax

BUILDING MATERIALS

N. H. Akerlund	Halifax	D. J. Hubley	Shubenacadie
H. R. Brine	Trenton	H. L. Oxner	Halifax
L. J. Fraser	Berwick	D. Sherman	Halifax
B. S. Fulmore	Halifax	J. W. Stephens*	Sydney
D. S. Fultz	Halifax	D. G. Stevens	Truro
D. J. Gillis	Halifax		

Appendix A

SUB-CONTRACTORS

E. Cassidy	Halifax	H. B. MacFarland	Halifax
C. F. Cox	Truro	A. P. Mills	Dartmouth
R. V. Germain	Yarmouth	H. G. Rounsfell	Halifax
R. V. Holmes	New Glasgow	R. P. Whalen	Dartmouth

CONSTRUCTION EQUIPMENT

F. A. Barton	Halifax	R. F. Kent	Bridgewater
C. R. Baxter	Dartmouth	H. S. Ogilvie	Halifax
M. A. Eisenhauer	Halifax	R. B. Short	Halifax
A. P. Kalbhenn	Halifax	L. W. Smith	Halifax

FISHERIES

SECTOR COMMITTEE

C. A. Aucoin	Halifax
J. D. Aucoin	Cheticamp
L. E. Baker	Halifax
W. A. Broidy	Pictou
P. J. Cadegan	Glace Bay
S. J. Campbell	Halifax
B. J. Comeau	Saulnierville
H. P. Connor	Halifax
D. F. Corney	Mulgrave
G. Curphey	Liverpool
C. D. Gordon	Petit de Grat
D. R. Idler	Halifax
R. F. Johnson	Halifax
K. Karlsen	Halifax
R. J. Keefe	Canso
V. L. Landry	Boudreauville
D. MacKenzie	Halifax
J. H. MacKichan*	Halifax
B. I. Meagher	Halifax
J. R. Mills	Halifax
D. A. Nickerson	Clark's Harbour
V. G. Snow	Digby
N. Stanbury	Halifax
J. F. Vaughan	Halifax
R. S. Watson**	Halifax
S. H. Zwicker	Lunenburg

SEGMENT COMMITTEES

FRESH AND FROZEN FISH

A. W. Churchill**	Halifax
B. J. Comeau*	Saulnierville
C. D. Gordon	Petit de Grat
E. P. Kaiser	Bickerton
Capt. D. Mosher	Lunenburg
W. S. Murdock	Dartmouth
J. Nickerson, Jr.	North Sydney
E. E. Pierce	Lockeport
H. D. Pyke	Lunenburg
K. O. Raymond	Centreville
Capt. M. H. Rodgerson,	Port La Tour

SALT AND PICKLED FISH

J. Barbarita	Neil's Harbour
B. E. Blades	Clark's Harbour
S. J. Campbell	Halifax
R. F. Johson	Halifax
D. MacKenzie*	Halifax
R. T. Morgan**	Halifax
R. N. Ritcey	Riverport
W. V. Sears	Woods Harbour
St. Clair Shand	Shag Harbour
F. S. Smith	Halifax
S. H. Zwicker	Lunenburg

LOBSTERS

J. D. Aucoin*	Cheticamp
W. A. Broidy	Pictou
K. E. Cunningham,	Clark's Harbour
L. E. Day	Alder Point
H. R. S. Ellis	Pictou
D. S. Feltmate	Canso
W. Little	Terrence Bay
J. F. Samson	Petit de Grat
C. D. Snow	Digby

FISH BY-PRODUCTS

R. G. Ackman	Halifax
P. J. Cadegan	Glace Bay
A. Cunningham	Halifax
O. Hjelkrem	Yarmouth
C. W. Humphreys	Halifax
K. Karlsen	Halifax
W. E. Sears	Bedford
W. E. Twohig	Digby
J. F. Vaughan*	Halifax
R. S. Watson**	Halifax

VESSEL OWNERS & OPERATORS

H. P. Connor*	Halifax
D. F. Corney	Mulgrave
A. A. Ferguson	Pictou
J. Forbes	Halifax
W. S. Hines**	Halifax
J. H. MacKichan	Halifax
P. R. Ritcey	Riverport
R. G. Smith	Halifax
F. R. Spindler	Lunenburg
H. E. Thompson	Liverpool

Appendix A

FORESTRY

SECTOR COMMITTEE

A. H. Anderson,	Port Hawkesbury
G. D. Anderson	Halifax
E. Bragg	Collingwood
R. H. Burgess	Halifax
A. F. Byers	Amherst
C. C. Chappell	Sydney
A. Cleveland	Liverpool
A. G. Cooper	Halifax
E. J. Dickie	Halifax
N. F. Douglas	Caledonia
H. D Fairn*	Wolfville
W. R. Griffin**	Halifax
A. L. Harlow	Hantsport
C. E. Harrison	Halfway River
L. S. Hawboldt	Truro
H. D. Heaney	Fredericton
R. S. Johnson	Liverpool
D. B. Lacey	Kinsman's Corner
H. J. Lynch	Halifax
J. R. Mills	Halifax
C. Porter	Stellarton
R. L. Seaborne	Liverpool
J. M. Soy	Bible Hill

SEGMENT COMMITTEES

PULP AND PRODUCTS

A. E. Balloch	Liverpool
L. G. Bishop	Hantsport
J. S. Donaldson	Sheet Harbour
F. L. Gray**	Liverpool
H. S. MacGlashen	Halifax
Rev. J. N. MacNeil	Antigonish
R. R. Murray	Truro
R. L. Seaborne*	Liverpool
T. E. Williams	Port Hastings

LUMBER AND SAWN PRODUCTS

A. D. Brown**	Oxford
M. E. Calder	Truro
C. E. Creelman	Brookfield
N. F. Douglas	Caledonia
D. L Eldridge	Truro
Col. H. A. Hansen	Halifax
C. E. Harrison	Halfway River
L. Ledwidge	Enfield
C. W. Lewis	Weymouth
G. R. Lordly	Halifax
C. Porter	Stellarton
A. W. Robertson	Truro
J. M. Soy*	Bible Hill
J. B. Wilbur	Halifax

ASSOCIATED FOREST PRODUCTS

W. F. Creelman	Bible Hill
E. J. Dickie*	Halifax
R. Hale**	New Glasgow
R. W. Harnish	Hubbards
H. J. Haskill	Truro
L. Haverstock	Bedford
L. Kingsland	Truro
H. C. Sanders	New Ross

FUR, FISH, GAME AND RECREATION

G. D Anderson*	Halifax
G. C. Baker	Kentville
G. Chapman	Truro
W. S. Dickie	Halifax
Dr. D. G. Dodds	Kentville
H. D. Fairn	Wolfville
W. A. Fox	Amherst
E. S. Lloyd	Sydney
T. Morrisey	Judique
W. P. Mosher	Truro
D. J. Oland	Halifax
W. F. Parks	Lochaber Mines
M. Prime**	Kentville
F. Watson	Kentville
C. G. Wright	Truro

MINING

SECTOR COMMITTEE

E. D. Brown*	Halifax
C. C. Bridle	Walton
Dr. A. E. Cameron	Halifax
J. H. Delaney	Glace Bay
E. J. Dickie**	Halifax
D. Evans	St. Rose
E. B. Garrett	Halifax
M. G. Goudge	Halifax
R. I. Grant	Port Hawkesbury
W. D. Graham	Halifax
D. O. Hartigan	Sydney Mines
H. S. Haslam	Sydney
L. E. Hubley	Grand Lake
C. A. Jerry	Halifax
R. Johnston	Hantsport
M. E. King	Windsor
A. G. Ley	Halifax
M. E. Mosher	Up. Musquodoboit
J. R. MacQuarrie	Pugwash
J. W. McLeod	Dartmouth
Dr. J. P. Nowlan	Halifax
F. S. Shea	Stellarton
P. E. Wile	Bedford

SEGMENT COMMITTEES

COAL

R. Beaton	River Hebert
Dr. A. E. Cameron*	Halifax
C. D. Cunningham	Montreal
S. Dolhanty	Glace Bay
D. Evans	St. Rose
W. D. Graham	Halifax
D. O. Hartigan	Sydney Mines
H. S. Haslam	Sydney
C. A. Jerry	Halifax
Dr. A. M. Lawley	Port Hood
A. G. Ley	Halifax
B. R. McDade	Sydney
J. W. McLeod	Dartmouth
D. Murray	Halifax
J. A. Russell	Sydney
W. Simpson	Glace Bay
C. Townsend**	Stellarton

EXPORT MINERALS

C. C. Bridle	Walton
E. D. Brown	Halifax
R. I. Grant	Port Hawkesbury
M. E. King*	Windsor
F. S. Shea**	Stellarton

DOMESTIC MINERALS

G. J. Dauphinee	Shelburne
E. B. Garrett*	Halifax
M. G. Goudge**	Halifax
L. E. Hubley	Grand Lake
J. R. MacQuarrie	Pugwash
M. E. Mosher	Up. Musquodoboit
N. Stanbury	Halifax

Appendix A

POWER

SECTOR COMMITTEE

D. T. Bayer	Sydney
E. A. Bell	Halifax
D. G. Burchell	Bras d'Or
J. H. Delaney	Glace Bay
S. R. Donaldson	Amherst
W. W. Downie*	Halifax
J. D. Fraser	Halifax
R. C. Fraser	Halifax
H. G. Grassby	Dartmouth
E. V. Johnston	Sydney
M. E. King	Windsor
J. J. Laffin	Sydney
Miss Z. Linkletter	Halifax
N. Lynk	Sydney
A. G. Mahon	Halifax
J. A. Parker**	Halifax
D. E. Rudolph	Liverpool
R. F. Tanton	Halifax

SEGMENT COMMITTEES

CONSUMPTION-COST RELATIONSHIPS

E. A. Bell*	Halifax
S. R. Donaldson	Amherst
M. E. King	Windsor
J. J. Laffin	Sydney
Miss Z. Linkletter	Halifax
N. Lynk	Sydney
D. E. Rudolph	Liverpool

PRODUCTION-COST RELATIONSHIPS

D. T. Bayer	Sydney
D. G. Burchell	Bras d'Or
J. H. Delaney	Glace Bay
H. G. Grasby	Dartmouth
E. V. Johnston	Sydney
A. G. Mahon*	Halifax

PUBLIC RELATIONS

W. W. Downie	Halifax
J. D. Fraser*	Halifax
R. C. Fraser	Halifax
J. A. Parker	Halifax
R. F. Tanton	Halifax

SECONDARY MANUFACTURING

SECTOR COMMITTEE

E. A. Bell	Halifax	W. L. Monck	Trenton
D. M. Cain	Yarmouth	L. B. Murphy	Halifax
S. R. Donaldson	Amherst	C. N. Murray	Sydney
H. H. Hills	Halifax	W. G. Odette	Dartmouth
R. M. March	Halifax	R. B. Robinson	Halifax
J. D. MacDonald	Windsor	C. P. Roper	Halifax
G. MacIntyre	Sydney	D. E. Sawyer	Halifax
G. C. McDade*	Hantsport	L. R. Shaw	Halifax
K. W. McGrail	Halifax	D. Steele	Sydney
G. P. Miller**	Halifax	J. W. Stewart	Moncton

SEGMENT COMMITTEES

TEXTILES AND CLOTHING

A. D. Brannen	Truro	C. E. Lewis	Truro
D. M. Cain*	Yarmouth	J. D. MacDonald	Windsor
R. S. Chisholm	Stellarton	R. L. Marshall	Truro
J. R. Creaser	LaHave	E. J. Murphy	Halifax
E. C. Doyle	Truro	S. L. Nauss	Riverport
S. Gilis	Yarmouth	P. G. Stucchi	Stellarton
J. L. DeGooyer	Yarmouth	H. L. White	Truro

BAKERIES, BEVERAGES AND CONFECTIONERY

M. S. Bezanson	Berwick	C. L. Norwood	Bedford
R. E. Drover**	Halifax	P. W. Oland	Saint John
E. J. Gerrard	Halifax	E. L. Otto	Halifax
D. L. Harlow	Bridgetown	D. E. Sawyer*	Halifax
D. M. MacKillop	Pictou		

Appendix A

METAL PRODUCTS, INCL. TRANSPORTATION EQUIPMENT

C. A. Annand	Truro	J. R. Matheson	Halifax
A. W. Churchill**	Halifax	W. L. Monck	Trenton
M. F. Dean	Dartmouth	C. N. Murray	Sydney
R. Drew	Truro	W. G. Odette	Dartmouth
D. A. Eisenhauer	Lunenburg	C. P. Roper*	Halifax
J. J. Kinley, Jr.	Lunenburg	J. C. Scott	Halifax
L. F. MacKay	Halifax	F. N. Tibbo	New Glasgow

MINERALS AND CHEMICALS

H. F. Coughlan	Halifax	S. J. Hughes**	Halifax
W. F. Dauphinee	Halifax	S. G. Johnson	Windsor
J. E. Dawe, Lower Woods Harbour		L. R. Shaw*	Halifax
J. J. Dyer	Dartmouth	R. C. Tibbetts	Stellarton

OTHER PRODUCTS

A. H. Doane	Truro	G. C. McDade*	Hantsport
R. J. Dockrill	Halifax	J. M. Murphy	Truro
F. W. Doyle	Halifax	L. J. Smith	Halifax
T. K. Guildford	Dartmouth	L. F. Stewart	Halifax
S. R. Hayden	Berwick		

SERVICES

R. B. Killam*	Yarmouth	W. R. Griffin**	Halifax

Note: Sector and segment committees have not yet been organized.

TOURISM

SECTOR COMMITTEE

E. S. Atkins	Truro
J. W. Brayley	Halifax
J. B. Bugden	Halifax
E. B. Edwards	Halifax
E. F. Eisner	Middleton
R. F. Eisner	Middleton
H. B. Elliot	Halifax
C. B. Ferguson	Halifax
C. D. Fraser*	New Glasgow
J. R. Gale	Halifax
Mrs. M. P. Gott	Smith's Cove
J. F. Hirtle	Bridgewater
R. B. Horne	Enfield
H. A. Johnson	Halifax
E. S. Lloyd	Sydney
R. S. Longley	Wolfville
H. L. Lynch	Yarmouth
Mrs. A. MacAulay	Halifax
J. D. McIntyre	Halifax
Mrs. F. E. Merchant	Mahone Bay
J. R. Mills	Halifax
W. F. Parks	Lochaber Mines
F. H. Patterson	Truro
R. A. Pepper	Halifax
A. D. Perry	Louisbourg
G. J. Redmond	Halifax
P. W. Strange	Shelburne
A. Thomson	Truro
R. S. Watson**	Halifax

SEGMENT COMMITTEES

ACCOMMODATIONS AND FOOD SERVICES

C. W. Bell	Truro
W. T. Bell	Dartmouth
Mrs. A. E. E. Blackburn,	Old Barns
E. B. Edwards	Halifax
E. F. Eisner*	Middleton
H. B. Elliot	Halifax
R. F. Fiske	New Glasgow
J. C. Goodwin	Amherst
G. W. Hansen	New Minas
R. F. Hudson	Baddeck
A. J. Masland	Chester
Dr. W. MacIsaac,	Margaree Forks
R. L. MacKay	New Glasgow
Miss J. Ross**	Halifax
Mrs. L. M. Toward	Baddeck
W. V. Troupe	Digby
G. M. Wadds	Liscombe Mills

ENTERTAINMENT AND RECREATION

J. F. Hirtle*	Bridgewater
H. R. Hollis	Pugwash
N. W. Jannasch	Halifax
H. F. Lewis	Sable River
J. D. McIntyre**	Halifax
B. J. Walters	Lunenburg
W. A. Speed	Halifax

PROMOTIONAL SERVICES

J. B. Bugden	Halifax	R. L. MacKay	New Glasgow
S. R. Fraser**	Halifax	G. H. McDuffie	Selma
J. R. Gale	Halifax	R. H. Moffatt	Kingston
L. K. Hill	Middleton	J. M. Murphy	Truro
J. C. Kernick	Yarmouth	E. C. Parsons	Windsor
E. S. Lloyd*	Sydney		

SHOPPING AND PERSONAL SERVICES

Rev. G. P. Allen	Truro	S. L. Miller	Halifax
Mrs. A. MacAulay	Halifax	R. A. Prest	Halifax
J. F. MacCormick**	Halifax	J. R. H. Sutherland*	New Glasgow
Mrs. R. O. McCurdy	Truro		

SCENERY AND TRANSPORTATION

A. E. E. Blackburn	Old Barns	A. M. MacLeod	Sydney
R. Bowman	Halifax	Mrs. J. A. McLean	Eureka
R. R. Buchanan	Halifax	R. E. Mathers	Halifax
C. D. Chisholm	Halifax	R. A. Pepper*	Halifax
C. D. Fraser	New Glasgow	H. D. Robertson	Halifax
L. K. Hill	Middleton	R. J. Walker	Halifax
J. J. Kerr**	Halifax		

TRANSPORTATION AND COMMUNICATION

SECTOR COMMITTEE

A. G. Archibald	Halifax
J. M. Bourinot	Arichat
C. D. Chisholm	Halifax
C. S. Clancy	Halifax
J. J. Cole	Halifax
R. K. Cook	Lunenburg
H. C. Cowperthwaite	Halifax
F. J. Cragg	Halifax
J. G. Davis	Moncton
C. S. Dickson	Moncton
F. W. Doyle	Halifax
G. P. Glyde**	Halifax
W. B. Greenwood	Halifax
R. R. Hannah	Sydney
D. J. Hubley	Shubenacadie
E. R. Johnson	Sydney
M. W. Knowles	Sydney
W. J. F. Kontak	Antigonish
D. R. McDermaid	Halifax
A. J. MacDonald	Glace Bay
D. MacIsaac	Sydney
R. M. March	Halifax
J. R. Mitchell	Halifax
C. W. Moffatt	Sackville
R. S. Morton	Dartmouth
C. A. Moulton	Halifax
H. Oyler	Kentville
G. A. Powell	Kentville
O. B. Pulsifer, Jr.	Halifax
C. Thompson	Middleton
G. C. Thompson*	Halifax
R. J. Tingley	Moncton

SEGMENT COMMITTEES

AIR TRAVEL

C. R. Baxter, Jr.	Halifax
C. D. Chisholm	Halifax
H. W. Clark	Halifax
J. J. Cole*	Halifax
F. J. Connolly	Halifax
E. C. Dauphinee	Halifax
P. M. Emmerson	Halifax
R. J. Ferguson	Dartmouth
K. Forde	Gander
G. P. Glyde**	Halifax
B. B. Hanson	Halifax
G. A. Johnson	Elmsdale
R. I. Laidlaw	Halifax
W. F. Napier	Halifax
J. L. Shanahan	Sydney
C. Steel	Watervale
C. A. Stokes	Halifax
W. V. Gordon, Jr.	Halifax
C. A. Waterhouse	Dartmouth

COMMUNICATIONS

W. Bellamy	Moncton
F. W. Doyle	Halifax
W. F. Harvey	Truro
W. J. Henry	Halifax
L. A. Knoke**	Halifax
R. S. Morton*	Dartmouth
D. H. Orr	Halifax
O. B. Pulsifer, Jr.	Halifax
J. R. H. Sutherland,	New Glasgow
M. W. Wallace	Halifax

Appendix A

MOTOR VEHICLE

C. Allen	North Sydney
P. H. Bourgeois	Cheticamp
L. D. Cole	Tatamagouche
H. Corkum	Auburn
J. P. Carroll	Dartmouth
J. F. Cragg	Halifax
G. M. Gates	Port Williams
E. B. Hill	Truro
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R. McKay	Newport
D. G. Parker	Bridgewater
P. Rand	Cambridge Station
C. F. Robinson	Shubenacadie
E. Robinson	Shubenacadie
E. Shutt	Moncton
D. F. Stewart	Stellarton
C. Thompson	Middleton
G. H. Thompson	Halifax
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L. G. White	Halifax
L. C. Young	Halifax

RAILWAY

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C. S. Clancy**	Halifax
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J. G. Davis	Moncton
J. C. Irvine	Halifax
G. N. Langley	Moncton
W. H. MacKenzie	Halifax
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L. G. Bishop	Hantsport
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G. P. Glyde**	Halifax
W. Hall	Halifax
L. Himmelman	LaHave
H. W. W. Hyson	Halifax
K. B. Karlsen	Halifax
G. N. Langley	Moncton
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R. M. March*	Halifax
J. A. Marsters	Halifax
H. I. Mathers	Halifax
H. C. Milroy	Halifax
J. W. E. Mingo	Halifax
J. R. Mitchell	Halifax
D. A. Mosher	Halifax
H. Oyler	Kentville
D. Scouler, Jr.	Halifax
F. W. Walsh	Kentville
H. A. Woodly	Halifax

Appendix A

CONSUMERS ADVISORY COUNCIL

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Mrs. W. E. Colpitts	Bedford
M. D. Harvey	Newport
D. H. Johnson	Halifax
Miss E. MacMillan	Wolfville
A. D. Nicholson	Sydney Mines

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C. S. Dickson	Moncton
Prof. J. F. Graham	Halifax
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A. J. Bruneau	Dartmouth
J. R. Cameron	Dartmouth
E. H. Collins	Halifax
Cmdr. D. R. Dawson	Halifax
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J. H. Kane	Halifax
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W. A. Logan	Halifax
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G. L. Miller	Halifax
W. D. Mills	Halifax
W. A. Moore	Stellarton
H. M. Nason	Halifax
Dr. J. P. Nowlan	Halifax
W. Pigdon	Dartmouth
D. Scouler, Jr.	Halifax
L. R. Shaw	Halifax
F. S. Shea	Stellarton
H. J. Somers	Halifax
R. C. T. Stewart	Halifax
Prof. J. B. Ternan**	Halifax
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Appendix A

INDUSTRIAL RELATIONS ADVISORY COUNCIL

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D. Steele	Sydney

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SECTOR RECOMMENDATIONS

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AGRICULTURE SECTOR RECOMMENDATIONS

1. The Nova Scotia Department of Agriculture and Marketing should proceed to institute a policy for a defined period of assistance in the purchase of suitable fertilizers for forage and grain crop production.

2. The limestone assistance policies should be continued to encourage the production of top quality forage and grain.

3. The present excellent soil testing, soil management and crop production advisory services, as offered by the Nova Scotia Department of Agriculture and Marketing, should be expanded to provide even more information and assistance for Nova Scotia farmers in planning their crop production programmes.

4. An extensive programme should be initiated to rid, control or prevent severe diseases which are seriously affecting hog production.

5. A permanent feed freight-assistance policy should be established which would give the farmers of Nova Scotia coarse grains and other required supplements at a figure equal to prices in other parts of Eastern Canada for the same livestock requirements.

6. There should be registration of packers and truckers of horticultural products under the authority of the Fruit and Vegetable Regulations of Nova Scotia.

7. A study should be conducted into the possibility of setting up a marketing plan, whereby the Montreal egg market shipments would not control the price received by Nova Scotia producers.

8. During the months of May, June and September the instructors at the Nova Scotia Agricultural College should visit the high schools throughout the province and explain to senior students the opportunities of a farming career once sufficient training has been acquired in farming technology and in the principles of business management.

9. The Nova Scotia Department of Agriculture and Marketing should be requested to form an Economics Division to work with existing divisions of the department and other research agencies, and with representative groups of farmers, processors and distributors, to conduct the necessary studies pertaining to the general aims as stated in the preamble,

namely: the aims for economic planning for the agriculture sector should be to create a more prosperous agriculture. Some of the factors which are preventing the realization of these aims are:

(a) small average size of farm units,

(b) lack of technical knowledge and management skills on the part of present operators,

(c) lack of co-ordinated marketing policy, and

(d) lack of proper emphasis on maintaining soil fertility.

10. In respect to farm credit:

(a) The Nova Scotia Department of Agriculture and Marketing should prepare a pamphlet clearly outlining all forms of credit presently available to farmers.

(b) The facilities of the Nova Scotia Land Settlement Board and Farm Credit Corporation should be enlarged to include credit assistance to greenhouse operators, rather than have this continue under the jurisdiction of the Nova Scotia Department of Trade and Industry.

(c) Chartered banks should employ district field men to better supervise farm loans.

(d) The Provincial Government should negotiate with federal authorities on the possibility of combining the efforts of long-term credit agencies under provincial jurisdiction while drawing funds from federal sources.

11. In respect to swine:

(a) A continued and expanded educational programme should be carried out concerning all phases of the swine industry.

(b) The premium or bonus policy should be continued on quality hogs.

12. A financial assistance programme should be initiated to aid the apple industry in the planting of a minimum of one thousand additional acres in apple trees.

13. The five segment committees should remain active to give support to their recommendations, and to generate active support in their particular industry organizations for the programme of Voluntary Economic Planning.

CONSTRUCTION SECTOR RECOMMENDATIONS

1. The allocation of funds for building and engineering projects should be made early enough to permit all preparatory planning to be done so that tender calls can be made throughout the year rather than in the summer and fall as is now often the case, thus providing for better planning by the industry and greater use of available labour.

2. Long range programming of all heavy construction and road-building projects should be undertaken by all levels of government for the next ten year period.

Furthermore, those departments of the government responsible for this work should immediately undertake surveys to determine the number of projects required to be carried out within the next ten year period, and a programme should be drawn up for the completion of the work in order that the dollar volume per year, and the type of work undertaken, would be approximately the same in each of the years in the programme. Particular attention should be given to scheduling work in order to minimize fluctuations in manpower requirements. It is suggested that the co-operation of the Federal Government departments (National Defence, Public Works, Transport) be solicited in the same manner, and that the Nova Scotia Department of Municipal Affairs in conjunction with the Nova Scotia Water Authority, be asked to undertake a similar survey to determine the ten year requirements in the province for municipal water and sewer construction.

3.* It should be determined what duplication exists in road building equipment owned by the Nova Scotia Department of Highways and private contracting firms and what amount of machinery presently owned by contractors could be used by that department.

4. It can be shown from figures published by the Dominion Bureau of Statistics that the value of construction work performed in Nova Scotia by each employee is below that of the corresponding figure for all Canada. This is largely due to the more heavily capitalized operation at the national level and to the smaller seasonal fluctuations in employment across Canada. The level of productivity in the industry can be raised however, by earlier scheduling and calling of work, by better organizational planning on the job, by improved manpower planning, by more supervisory training and development and by making every effort to avoid delays due to slow material delivery.

5. One of the major deterrents to progress in the Nova Scotia building industry is the difficulty with which construction firms are confronted in satisfying the large number of different building by-laws that govern use, location, structure and installations in any type of new building. All municipalities in Nova Scotia should adopt the abbreviated form of the National Building Code of Canada, and accept its latest amendments and revisions as they are published.

6. Members of the construction industry should be prepared to assist customers by advising them as to available money sources. This should be a customary practice in the construction field just as it is in other consumer markets.

7. The building industry should adopt more widely the system of modular measure, which makes possible the dimensional co-ordination of materials of construction so that mass-produced materials can be incorporated in a structure without modification.

8. In addition to the foregoing, the Construction Sector Committee has received proposals from the segment committees on the following: education of construction personnel, changes in the tax structure, and updating of the Lien Act. It is understood that the Planning Board is preparing a submission of fairly broad scope on the educational programmes and on taxation. The Lien Act should also come under review. As far as the construction industry is concerned, the implications should be considered by the Board in preparing its submission on these topics.

9.* An independent survey should be made by a recognized authority to which industry could make representation and which would ascertain whether or not construction and maintenance work presently being done by provincial and municipal government departments could not be carried out more economically by private industry.

10. Construction firms are eligible for a rebate of a portion of the hospital tax levied on materials used. The present method of calculating this rebate is considered to be a much-involved procedure and the associated auditing of company accounts can cause considerable delay in the settlement of payments between general contractors and subcontractors. It is recommended that a more simplified method of calculating this hospital tax rebate be developed.

11. The housing construction industry in Nova Scotia is confronted with many peculiar problems which are, by their nature, regional rather than national. The Nova Scotia Research Foundation, in consultation

with the National Home Builders Association, The Nova Scotia Association of Architects and Central Mortgage and Housing Corporation should institute a programme of research and development to determine means of reducing housing construction costs in Nova Scotia. The programme should particularly investigate the following:

(a) the design factors which are in harmony with the climatic, topographic and social conditions pertinent to Nova Scotia,

(b) the building materials which are native to this province or are processed here, and

(c) the education of house builders and consumers with regard to the type and application of construction materials and components available locally.

12. A Director of Housing should be appointed who would be responsible to a particular minister and be charged with co-ordinating and implementing all those activities concerned with land use, housing, highways in urban areas, urban renewal, public housing and other matters related to the house-building industry.

13. The various associations and trades of the construction industry, particularly the general contractors and the house builders, should maintain a continuing up-to-date directory of information on provincial and municipal construction regulations, as they apply throughout the province. This directory should serve as a guide to the procedures required to secure necessary construction permits with minimum delay.

*—Referred back to sector for industry self-implementation.

Appendix B

FISHERIES SECTOR RECOMMENDATIONS

1. Representatives of industry and government should meet for the purpose of establishing a programme of on-vessel training for those fishermen who cannot attend the Pictou school. The Board directs this recommendation to the Inter-departmental Advisory Committee on Manpower Research.

2. Immediate study by industry and government should be given to up-grading the presently proposed qualifications for licensing skippers, mates and engineers; a definite date should be established for the implementation of these qualification requirements. The Board directs this recommendation to the Inter-departmental Advisory Committee on Manpower Research.

3. An extension service should be established within the Nova Scotia Department of Fisheries.

4. To expand the supply of raw material, new fishing grounds should be sought and research work conducted into the greater utilization of other species, such as dogfish and shark. Furthermore, advantage should be taken of lucrative shellfish markets by increasing the yearly production of these species through research and development in the fields of nutrition, disease, reclamation of stocks from polluted areas, transplantation and other factors pertinent to "farming". The Board directs this recommendation to the Fisheries Research Board.

5. There is need for the development of new techniques and equipment in conjunction with more research into the life cycles and habits of fish, especially in the field of the location of fish populations at certain times of the year. A step in this direction would be the increased use of the federal research vessel A. T. CAMERON and a similar ship about to be built. These vessels should do more reconnaisance of the whereabouts of fish and communicate this information immediately to the Canadian fishing fleet.

6. While useful beginnings have been made in joint industry-government research and development work, considerably more emphasis should be placed on these efforts in the future.

7. Canada lags behind its competitors in the development of new gear and fishing techniques. It is agreed that the best approach to this problem is to combine the efforts of government and industry in an expanded programme of development and adaptation of new gear and techniques

for the Canadian fisheries. One specific experimental technique which should be developed further is the use of the mid-water trawl.

8. The possibility of increasing the development of the Nova Scotia offshore herring fisheries should be investigated as a means of furthering the by-products industry.

9. A study should be initiated to establish the amount of waste presently available which is not reaching the by-products industry. It should be determined if this waste may be economically used in the industry. The Board directs this recommendation to the Nova Scotia Research Foundation.

10. A programme of formal training in broad job principles for foremen and supervisors should be established. Such a programme would be of decided value in up-grading this class of employee in the fish-processing industry. The Board agreed that this recommendation should be directed to the Work Study School and also to the Inter-departmental Advisory Committee on Manpower Research.

11. To solve the problem of over-capitalization in the lobster fishery, the Canada Department of Fisheries should be asked to organize a series of district meetings to discuss the problem and to make recommendations for further discussion at a general meeting. Representatives of the processors, as well as the fishermen, should be invited to attend. A survey should then be carried out by zones to ascertain the opinions of the fishermen with regard to the limitation of the number of traps and other possible recommendations. If favourable, steps should be taken to pass legislation to enforce same. If unfavourable, steps should be taken to educate the fishermen with the ultimate view of voluntary enforcement.

12. The Nova Scotia Department of Fisheries should establish and maintain a registry of the provincial fishing fleet to record the size, capacity, type, age, value and number of men employed for each vessel. A similar registry should also be established for fish-processing plants to record similar pertinent information.

13. A study should be initiated by the Fisheries Research Board to provide more details concerning the possibilities of further developing the liquid nitrogen freezing process for use in the Nova Scotia fish-processing industry.

14. The existing British West Indies Trade Agreement should be renegotiated with a view to the development of maximum salt fish markets, not only in the British West Indies but in the entire Caribbean area.

15. Detailed studies should be initiated to develop new uses and markets for fish by-products.

16. Study should be given to improving methods of handling fish from ship to shore as this is a possible area for production cost reductions. The Board agreed that this matter should be directed by the sector committee to the Work Study School.

17. The Provincial Government should discontinue any further financial assistance for the installation of fish dryers.

18. The present action of the Canadian Hydrographic Service, which is now preparing new charts for fishermen, is endorsed: these charts should be completed as soon as possible.

19. The Canadian Committee of Oceanography should watch the progress of research by the National Institute of Oceanography in England, since this research should prove extremely valuable to Canadian fishermen.

20. Starting with an official opening, the Provincial Government should institute a programme to publicize the training facilities available at the fisheries school in Pictou.

21. A fishing industry representative should tour the province's vocational schools to describe the opportunities of a career in marine engineering to the graduating classes.

22. A team of industry and government representatives should give talks at regional high schools in the province on opportunities in the fishing industry.

23. The Pictou fisheries school should concentrate on up-grading those men already in the industry. New candidates for this school should have some prior fishing experience. The Board agreed that this matter should be directed by the sector committee to the Inter-departmental Advisory Committee on Manpower Research.

24. When the Transportation Sector Committee is studying the transportation problems of other sectors, the problems of the fisheries sector should be included.

FORESTRY SECTOR RECOMMENDATIONS

1. (a) The Nova Scotia Department of Lands and Forests with the co-operation of the Canada Department of Forestry, should take inventory of the province's forests to provide a reliable estimate of the volume of sawtimber, pulpwood and other products available now and for continuous maximum production.

(b) This inventory should be based on new air photography and both be started in 1964 and completed by 1966 and prints be made available for purchase.

(c) The most modern and efficient photo-interpretation techniques should be used with adequate forest sampling.

(d) The Canada Department of Forestry should be requested to test immediately the validity of the yield tables developed by the Nova Scotia Department of Lands and Forests, which have been designed to be used for projecting yields and for estimating allowable cuts.

(e) The Nova Scotia Department of Lands and Forests should institute a system of forest inventory which would be continuous, that is a certain area of the province should be completed each year, the first cycle to be completed in seven years.

(f) The initial inventory and forest yield report should include a statement of present and anticipated merchantable volume by species and utilization classes.

(g) The Nova Scotia Department of Lands and Forests should maintain a record by counties of the annual cut, including a statement of the total cut of all products in cords per acre of productive forest land.

2. The Provincial Government should draw up cutting practice regulations, form forest district boards to determine local cutting practices, initiate re-planting schemes for areas on which regeneration of desirable species does not occur and reform municipal forest taxation laws and rates.

3. The Nova Scotia Voluntary Planning Board appointed a special committee to study municipal forest taxation and was charged with the task of preparing a new or improved system of forest taxation. The committee was directed to report to the Board within a period of nine months. Representation on this committee includes appointees from

the Union of Nova Scotia Municipalities, the Department of Lands and Forests, the Department of Municipal Affairs, The Nova Scotia Association of Assessing Officers, The Nova Scotia Forest Products Association and the Nova Scotia Section of the Canadian Institute of Forestry.

4. A study should be carried out to ascertain the potential amount of sawmill residue available to the pulp and paper industry.

5. A study should be conducted concerning the movement of forest products within Nova Scotia from the woods to the delivery of the final product.

6. The Provincial Government urges the federal authorities to maintain national parks' forests in a healthy condition, as far as practicable, on the same basis as in national parks elsewhere in Canada. In doing this, merchantable forest products removed from the parks should be made available to local forest industries.

7. The Nova Scotia Department of Lands and Forests should continue with the establishment of a model sugar bush and processing plant; this should be supplemented by an information and education service directed to present and potential operators.

8. The Provincial Government should immediately begin purchasing fresh and salt marsh areas to ensure preservation of waterfowl.

9. The Provincial Government should encourage and assist Ducks Unlimited and other organizations in the development of these acquired marshes.

10. A public education programme of reasonable cost should be instituted immediately, designed to foster the interest and co-operation of the general public in wildlife conservation and management.

11. Future big-game herd management should be conducted under the direction of game biologists employed by the Nova Scotia Department of Lands and Forests. These biologists should be authorized and enabled to continue studies in all areas under their jurisdiction. All season dates, bag limits and other pertinent big-game regulations should be set in late spring by Order-in-Council and based on recommendations of wildlife biologists, after sufficient time has elapsed for assessment of the previous season's winter harvest and deer herd wintering success.

12. There should be an experimental, controlled moose season to harvest 100 to 200 moose from central counties. Licenses should be selected by lottery.

13. Increased emphasis should be given to moose research and herd management.

14. The bounty on bear should be abolished and this animal classified as big game with appropriate hunting seasons and bag limits.

15. The Tobeatic Sanctuary boundaries should remain unchanged and the Sanctuary converted to an experimental game management area.

16. The Nova Scotia Department of Lands and Forests should control all hunting and trapping activities and access to the Tobeatic Sanctuary.

17. Agreement should be reached with Bowaters Mersey Paper Company Limited and all other land owners for controlled access to Tobeatic Sanctuary for hunting and trapping.

18. Enabling legislation should be enacted to secure the necessary control as envisioned in 16 and 17 above.

19. The Chignecto and Liscomb Sanctuaries should be converted to game management areas under control of the Nova Scotia Department of Lands and Forests. Such control should cover hunting and trapping seasons, bag limits and number of entries.

20. The present status of Waverly Sanctuary should remain unchanged.

21. The present fish conservation and development programmes should be reviewed in order to assess the results of past expenditures.

22. Mink ranching should be placed under the jurisdiction of the Nova Scotia Department of Agriculture and Marketing.

MINING SECTOR RECOMMENDATIONS

1. A representative from the Mining Sector Committee should be appointed to the Transportation Sector Committee to ensure that transportation problems relating to coal will receive attention.

2. Smaller independent coal operators should not be prevented from continuing work if they help to alleviate local pockets of unemployment and service a market that would otherwise be lost to coal.

3. In view of efforts now in hand to stabilize the deep mining of coal and the markets concerned, strip mining should be considered only in the distant future, and then only if altered conditions warrant such practices.

4. The Provincial Government should be requested to ensure that supervision and a measure of control be exercised over any public funds advanced by it to the coal-mining industry.

5. Maximum benefit cannot be derived from increasing mechanization in coal mines unless the skills of both mining crews and of supervisory staffs are developed commensurately. The initial training programme for miners now being sponsored by the Dominion Coal Company Limited, the Nova Scotia Department of Education, the Dominion Coal Board, the Nova Scotia Department of Mines and the Canada Department of Labour is commended. The need for continuous additional training for miners and officials at various levels of responsibility is stressed. Provision should be made in the technical schools of Cape Breton for establishment of a permanent technical training section designed to provide the necessary backgrounds and skills for men in industry. Such technical training would be similar to that provided in Ontario by the Haileybury School of Mines, with emphasis changed to meet local needs.

6. Preliminary sparker work was done by the Nova Scotia Research Foundation in 1964 to map the continuity of coal seams: this work should be continued and extended both on the west coast of Cape Breton Island between Port Hood and Chimney Corner and on the east coast between Point Aconi and Cape Morien.

7. The Fuels and Mining Practice Division of the Canada Department of Mines and Technical Surveys should be requested to undertake fundamental research on extractive methods beyond any known at present.

8. The intensive efforts of the Nova Scotia Department of Mines and the Nova Scotia Technical College to ensure that Nova Scotia coal is

utilized for heat and power in combustion chambers designed to give maximum efficiency should be continued and extended to ensure the retention of existing coal markets as far as possible.

9. The Nova Scotia Technical College should be requested to institute research into the use of Nova Scotia peat moss for the pelletizing of iron ores.

10. Studies should be made in conjunction with the fishing and the agricultural industries to determine the economic feasibility of producing fertilizers from peat moss and fishery waste. The Nova Scotia Research Foundation should be asked to institute these studies.

11. The Nova Scotia Research Foundation should study possible additional uses for anhydrite.

12. (a) The Canada Department of Transport should be requested to investigate the possibility of improving and deepening the Walton harbour facilities sufficiently to accommodate 6,000 to 10,000 ton ships.

    (b) No additional royalties, port or wharfage charges should be imposed on the operations of this industry.

13. A continuing survey should be made of potential markets for Nova Scotia's minerals, and for processed chemicals or materials that can be derived from these. This survey should be directed by a mineral economist of ability who would be attached to the Nova Scotia Department of Mines staff.

14. A ten-year period of exploration by the Nova Scotia Department of Mines should be begun in the Cape Breton National Park to determine if any areas should be taken out as mineral land. Any areas released for mineral development would be replaced by equivalent areas such as Cape Smokey.

15. Existing development agencies should be encouraged to assist private enterprise with the dual problems of access roads and power installation, wherever warranted by the interests of the provincial economy, on a basis similar to that which is already available in other areas of the economy.

16. The inventories of industrial minerals, including water, now underway and planned by the Nova Scotia Department of Mines, together with the necessary laboratory work to back up field observations, should be accelerated as rapidly as staff can be secured and integrated into such a programme.

17. *The importance of specifying quality controlled construction aggregates in accordance with accepted building codes should be stressed to all concerned with their use.

NOTE: The following are extracted from the Board's Special Committee on Coal Report which is reproduced in Appendix C.

18. Continuing subventions for coal are vitally necessary.

19. The Federal Government should be urged to make long-term commitments regarding coal subvention policies in order that the marketing situation may be sufficiently stabilized to permit sound, long-range planning.

20. Federal Government assistance is necessary for the immediate rehabilitation of the existing coal mines and the development of a new mine at Lingan.

21. It is recognized that the Nova Scotia coal problem is a social as well as an economic problem and that labour force reductions over time are inevitable. It is recommended that:

(a) Where technological change is planned that will cause unemployment, prior knowledge of such plans should be available to the employees.

(b) Planning for the orderly re-employment of any displaced labour must be emphasized and should begin at once.

(c) Displaced worker retraining programmes should be instituted.

(d) Where necessary, relocation transportation for the worker and his family should be provided.

(Recommendation 21 is a combination of recommendation No. 7—Mining Sector Report—as passed by the Planning Board and recommendation No. 4—Special Coal Committee Report)

22. After a full review of all available information and with due regard to the strong coal market outlook to 1972 it was found that production targets cannot be set at this time with any degree of exactness. For this interim period, therefore, an annual production target of 4.5 to 5.0 million tons should be planned together with a further up-grading of average mine productivity to 4.5 tons per man day.

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* This recommendation referred back to sector for industry self-implementation.

Appendix B

POWER SECTOR RECOMMENDATIONS

1. A committee comprising business, labour, government and electrical utility representatives should be appointed to study proposals for a programme of uniform rate forms, regulations and billing on a provincial basis. The submission of such a programme should be made to the Board of Commissioners of Public Utilities and implemented by January, 1969.

2. While realizing that excellent work is being done in the field of public relations by some of the electric utilities, it is drawn to the industry's attention that there are areas where emphasis needs to be placed. The following should be considered as guide lines by any or all utilities:

   (a) Applications for electric service should be made as easy as possible. In this connection, collection of security deposits should be eliminated except in the case of high risk undertakings.

   (b) Utilities should maintain trained qualified personnel in their public relations and commercial departments to supervise customer contact work, the counselling of customers on services available, the provision of engineering advice, the promotion of off-peak power use, and to promote electric space heating for both homes and commercial establishments.

   (c) Each utility itself must achieve the reputation of being a good corporate citizen in the communities it serves. This cannot be accomplished by willingness alone. It must be done by deeds performed over a long period of years. It requires planning, time, effort and money. All employees should be encouraged to take an active part in community affairs and organizations.

3. Thermal power plants should be located in the most economical production cost areas, balancing transmission costs against fuel transportation costs.

4. Continued investigation and feasibility studies should be made regarding the possible extension of the inter-provincial grid to Prince Edward Island and the Atlantc seaboard of the United States.

5. All planning by the Nova Scotia electric utilities should be directed toward serving the electrical needs of Nova Scotia on an integrated basis.

6. To provide a more efficient overall power generation programme, Nova Scotia hydro sites should be developed where economy can be proven.

7. Utilities should undertake co-operative publicity campaigns to promote every practical use of off-peak power. Larger utilities should make available to smaller utilities the use of trained staff at reasonable rates to assist in the solution of customer relation problems and problems related to the economic use of power.

8. The Provincial Government should establish regulations covering the training, examination and certification of electricians to establish a minimum standard of qualification for the carrying out of electrical work in the province.

9. The electric utilities at present adhere to the Canadian Electrical Code as the local inspection standard. The inspection service, however, is not uniform throughout the province, varying greatly in different areas from extreme interpretation to outright laxity. An active central authority with qualified staff should be responsible for the overall administration of the code inspection service.

10. The appropriate Provincial Government body should conduct studies to determine the need for control and regulation of the gas industry in Nova Scotia with respect to public safety.

SECONDARY MANUFACTURING RECOMMENDATIONS

1. The Department of Labour, both provincial and federal, should promote more in-plant training in order to ensure that the labour force achieves a standard of proficiency in keeping with the latest technological developments. Inducement for industry to institute such a programme can be provided through tax concessions similar to the accelerated write-off presently applied to research and development expense.

The development of vocational and trade school curricula, in order to be consistent with the needs of industry, requires closer co-operation of educational and industrial leaders. There are many agencies presently engaged in preparing briefs concerning various aspects of the vocational education and apprenticeship programmes.

Some of the agencies which, in the coming months, intend to present briefs on education to the government authorities are:

Canadian Construction Association
Canadian Manufacturers' Association
Atlantic Provinces Economic Council

2. The highway system in the province is vital to the prosperity and economic growth of Nova Scotia and it is imperative that steps should be taken immediately to up-grade the main trunk network to all-weather standards. Also, the maximum load limits should be made consistent with those of neighbouring provinces and areas of the United States.

The urgent necessity for such a highway improvement programme cannot be over-emphasized when one considers the retarding effect of spring closure and long periods of reduced weight limits. Every effort must be made to bring about these improvements so that local firms will be able to serve the market more efficiently and to remove the need for maintaining large inventories during the spring closure periods.

3. In 1962 the Gill Commission recommended changes in the policies of the Unemployment Insurance Commission in order to reduce or eliminate the possibility of abuse by both employers and employees. The Gill Commission's recommendations pertain to the need for confining the plan to the payment of indemnity for wages lost by reason of failure to obtain employment. It was felt that the insurance plan should not become an income supplement nor should it pay benefits to seasonal workers during their off season when they have never worked in that period and do not intend to work.

The policies of the Unemployment Insurance Commission should be altered in accordance with the recommendations of the Gill Commission in order to remove the possibility of abuse by unscrupulous persons. Inducements should be provided which would encourage the seasonally unemployed to prepare themselves for, and to seek, alternate employment during the off season.

4. Those employers in the province who require new skills within their manufacturing operations should endeavour to acquire these tradesmen from the Nova Scotia labour force through a programme of retraining.

There will be, however, increasing requirements for personnel in certain trades which cannot be fulfilled through the existing training facilities. The relatively small number of these special skills required will not justify a large expenditure for the appropriate training facility and, therefore, immigration of such skilled personnel from other provinces and other countries should be encouraged.

5. In current national and international business activities all smaller enterprises are seriously handicapped by their inability to take advantage of the highly developed and specialized management services employed by the larger corporations, with which they are in competition.

Smaller firms should take advantage of the many allied services offered by government, educational and industrial organizations to minimize this handicap.

In addition to these public services, management consulting firms are available for the analysis and solution of industrial problems. In cases where such services would be prohibitively expensive for one firm to bear alone, several firms facing similar problems should engage their services on a joint basis.

6. Smaller local industries are experiencing difficulties in competing against the more highly-developed and intensively-promoted products of the national and international corporations.

Nova Scotia firms should improve their competitive position by giving more serious attention to the standardization and improvement of product design, to preparation and distribution of adequate sales brochures and to aggressive personal contact sales promotion. In addition, maximum advantage should be taken of government-sponsored trade expositions both at home and abroad. Industrial organizations and the appropriate departments of both the Provincial and Federal Governments are frequently able to provide much help in these matters at very modest cost.

7. The lack of adequate working and investment capital is severely handicapping industrial firms generally, and the smaller firms in particular. In many cases, smaller firms could qualify for more substantial loans from existing financial institutions if management were better able to prepare more detailed and reliable financial analyses of their firms' position and future potential. This inability frequently stems from insufficiently detailed records of past and current financial performance.

Firms experiencing difficulties in the acquisition of adequate working and investment capital should seek the advice and services of the many qualified men and organizations experienced in these matters when they are preparing applications for loans.

Appendix B

SERVICES SECTOR RECOMMENDATIONS

1. Voluntary Economic Planning Division should assign a staff member to work strictly on the economic implications related to growth in both education and health services. The responsibilities connected with the position should include an interpretation of the prospective growth of these two services in terms of provincial financial involvements, the impact of federal financial incentives on these services and the economic benefits to the province from this growth. It would be envisaged that the staff member would work closely with the other responsible provincial government departments, assisting them in the preparation of their plans and gaining assistance from the experience in these departments for the formulation of a more comprehensive plan for these services.

2. Voluntary Economic Planning Division should commission a study of all the so-called private services segments and groups within the services Sector. Particular attention should be given to the isolation of the variables affecting the growth or decline of those groups within these segments. Once the study is completed, volunteer committees should be formed to discuss the findings and to initiate economic planning.

TOURIST SECTOR RECOMMENDATIONS

1. A comprehensive research study into all aspects of the industry should be conducted immediately by an independent consulting firm under the sponsorship of the Provincial Government. It should include:

   (a) A factual appraisal of the industry's value to the provincial economy, both in total and by breakdown into the pertinent elements.

   (b) The establishment of industry trends, forecasts of industry growth and potential including the general barriers which the industry faces in reaching its full potential. One of the barriers which should be examined is the shortage of accommodation and food service facilities. It should be determined what areas are seriously affected.

   (c) An opinion survey to learn tourist preferences and reactions.

   (d) The establishment of standardized procedures for future data collection.

   (e) Cost-benefit analysis of various aspects of the industry, equating future development costs with the resulting gains to the provincial economy.

   (f) A survey to determine what are the province's major existing attractions, and the potential for new developments, e.g. the need and feasibility of establishing more "resort type" accommodations.

   (g) An analysis of the Provincial Government administrative structure for the control and co-ordination of tourist development in the province and suggestions on how it might be improved.

   (h) The preparation of a master plan for the rehabilitation and development of the industry and its promotion. Such a plan should include the designation of responsibilities and priorities for specific action in both the private and public spheres. It should include recommendations as to the most effective way of establishing overall authority.

2. Subject to the recommendations that will result from the study suggested above (1), it is considered that some increase in the central co-ordination of tourism is desirable in the Provincial Government organ-

ization. The form it should take should become evident as a result of the proposed study. It is clear, however, that the specific responsibilities of the Provincial Government should include:

(a) Preserving and up-grading the province's basic tourist attractions.

(b) Carrying out research to provide the answers needed for planning and the establishment of priorities within the sector and in relation to other sectors, and for public education.

(c) Assisting and advising in the development of quality accommodation and food service facilities.

(d) Co-ordinating public and private efforts, providing leadership, direction and a measure of control over the industry to encourage more desirable types of private development. It should have sufficient authority to protect the best interests of the industry to ensure maximum return to the provincial economy.

(e) Advertising and promoting Nova Scotia's basic attractions and assisting and co-ordinating the promotional campaigns of regional groups and private operators.

3. An educational manual should be prepared to inform prospective tourist operators on the following subjects:

(a) Availability and sources of capital.

(b) The industry's potential and attractiveness from the investment and career points of view.

(c) Locational guidance.

(d) Government rules, regulations and requirements.

(e) Pitfalls to be avoided.

(f) Minimum traffic requirements for successful operations.

In conjunction with the preparation of this manual the Provincial Government should undertake a study of both capital and operating costs for accommodation services. The study should include a comparison of accommodation operating costs and techniques and the break-even point for establishing new accommodations. The results should be an integral part of the manual.

4. The tourist season should be extended to include June, September and October by:

(a) Emphasizing September and October in promotion and advertising, and publicizing the dates of autumn colours.

(b) Keeping resorts, accommodations, museums, tourist bureaux, trailer parks, etc., open in these months.

(c) Having the Department of Lands and Forests restore stocks of game and fish to improve present hunting and fishing conditions.

(d) Increasing the emphasis on the promotion of salt-water fishing during these months.

(e) Keeping the government resorts open through the autumn and having the Department of Trade and Industry use the resorts as part of its training programme for people in the industry to give trainees practical experience.

(f) Promoting and organizing off-season packaged tours.

5. The Provincial Government should sponsor management seminars to be held in various parts of the province each year. They should be kept relatively simple at the start. Several suggestions are made to get the required participation:

(a) Attendance at such a seminar should be made a prerequisite for obtaining a license or listing in "Where to Stay".

(b) Experts should be sent to each establishment to demonstrate the value of such a seminar to the manager.

(c) Participating managers who believe in the need for the seminar should try to win the support of more reluctant operators.

6. Vocational schools should have a course in food service management for new entries into the vocation.

7. To improve the quality and to stabilize the supply of waitresses and other personnel in food services, a better image of the occupations is required as well as improved education. To achieve this:

(a) Wages and hours of work should be improved in the food service industry to attract the right type of personnel.

(b) Efforts should be made to change the concepts which the National Employment Service and vocational-guidance counsellors have of these occupations. The National Employment Service classes these people as domestics; there should be a separate classification.

The vocational-guidance counsellors in schools are reluctant to allow restaurateurs to speak to high school students about careers in the food service industry.

(c) Waitress training should be provided in vocational schools for those interested in a career in food services. A short evening course for those girls interested in summer employment as waitresses should also be organized by the province.

8. Cooks should be certified or licensed provincially by grades as in other types of technical trades.

9. Training of cooks:

(a) A system of apprenticeship for the summer months should be instituted as a part of their training programme.

(b) The Provincial Government should make a check on those cooks already trained under the present unemployment plan to find out how many have remained in food services. If the percentage is small, applicants should be properly screened for aptitude and interest before they are accepted for training.

(c) Arrangements should be made so that employers can send their cooks to refresher courses at vocational schools. Such courses should be set up in two-week blocks so that, by eventually completing a series of courses, a cook will be fully trained in all types of cooking.

10. The Services Sector Committee should study the needs of improved training for personnel (both management and employees) in the retail trades.

11. The Boards of Trade should organize and promote an educational programme at the local level to train retail trades personnel and all those who come in contact with tourists on how to greet, guide and inform them.

12. A public education campaign is required to impress and inform Nova Scotians, particularly those in retail trades, of their responsibilities toward their guests and the value of the industry to the province. Such a campaign should stress the monetary gains to be had by a conscientious discharge of these responsibilities.

13. To ensure a high uniform quality of tour guides, the Nova Scotia Travel Bureau should promote the establishment of a registered group of tour guides within the province. All guides should be well trained and advertised as available to all tour companies both on an area and provincial basis.

14. All promotional campaigns should be subject to continual review for misrepresentation of facts and the establishment of false images.

15. The themes "You Need Time to Enjoy Nova Scotia" and "Plan Your Holiday" should be stressed wherever possible, along with a realistic guide to the daily distances which can be travelled in Nova Scotia.

16. The elimination of wholesale co-operative advertising should be considered, particularly the Maritime Co-operative campaign. This type of advertising creates the wrong impression that the Maritime Provinces can be adequately seen in a short time.

17. Information and publicity on scenic areas and drives should include other areas as well as the several already well-promoted areas.

18. Sponsored orientation tours:

   (a) More emphasis should be placed on inviting the staff members of travel agencies, rather than the travel agents, since the former make actual contact with prospective tourists.

   (b) More sponsored orientation tours should be available to leading travel writers, public relations personnel, artists, and those influencing public opinion.

19. More co-ordination, control and possibly assistance is required in the preparation and distribution of regional and provincial brochures.

20. The Provincial Government should include a brief resume of key historic sites in the province on their road map. The list of historical plaques should be reprinted.

21. Local and regional tourist-promotion groups should provide area maps of uniform size which show all points of interest, tours and tourist facilities.

22. The publication "Where to Stay in Nova Scotia" should:

   (a) Be severely edited to remove unnecessary description. Supplements should be published to keep it up-to-date during the year and distributed to tourist bureaux.

(b) Include the names of restaurants. Until the system of provincial licensing is established, those restaurants belonging to an accredited trade association should be listed in the back of the publication.

23. More effort and co-ordination is required to ensure that all bureaux receive adequate advance notice of all local and regional events.

24. More "educational" signs should be erected along the highways. The Department of Highways should be requested to post distinctive, descriptive signs pointing out attractions and local history which are both on and off the main highways. Signs should be placed far enough in advance of attractions to allow the tourist plenty of time to stop. There should be sufficient warning on by-passes and limited-access highways regarding the frequency of services on these roads. Signs on these highways should indicate where tourist bureaux, accommodations and other facilities are located. There also should be telephone facilities available immediately off these by-passes and limited-access highways.

25. Provincial tourist bureaux employees should:

(a) Attend a series of visitor-reception courses which should be established.

(b) Be requested to pass examinations pertinent to their work.

(c) Be qualified and prepared to collect, in a diplomatic manner, such statistical information as may be required.

26. A full-time co-ordinating officer should be employed by the province to assist in the welcoming of groups and V.I.P.s arriving by air, bus, train, and boat at Halifax as is done at other entry points within the province.

27. The province should investigate the feasibility of promoting the idea that tourists can motor or fly to Nova Scotia and return to eastern United States via sea.

28. Consideration should be given to conducting a departmental study on the possibility of developing a steamship cruise to and from Nova Scotia during the tourist season. If such a cruise were initiated, it should operate between the larger ports (e.g. Halifax-Boston-New York) where better facilities are available and where there are larger population concentrations.

29. Consideration should be given to:

(a) Attracting trans-Atlantic passenger-ships to Halifax during the summer while en route between New York and Europe.

(b) Encouraging more marine cruise "stop-offs" in Nova Scotia.

30. There is an immediate and urgent need to have all establishments selling and serving food to the public inspected and licensed on a provincial basis.

31. Hotel regulations should be enforced and establishments without licenses should not be permitted to operate. Such enforcement should be combined with an educational programme emphasizing pride in clean, well-kept establishments.

32. To improve the service to tourists, the following changes in the province's liquor regulations are recommended:

(a) Legislation and regulations concerning liquor plebiscites should be amended to permit the separation of (I) dining-room and lounge liquor privileges from (II) tavern privileges, on the ballots used in these plebiscites, as taverns cater chiefly to local residents while dining-rooms and lounges are more frequently patronized by tourists.

(b) There should be at least one retail liquor outlet open in each area after 6 p.m. from Monday to Friday inclusive and on Saturday afternoons, to meet the needs of local residents and the travelling public.

33. Based on the results of part of the study recommended in #1, regarding the shortage of accommodation and food service facilities, in certain areas of the province, the Provincial Government should take immediate action to encourage the increase of good-quality facilities in those areas where there is a need, by the following methods:

(a) Persons who have proven themselves to be good business managers and capable of providing good accommodation and food services (separate or attached), should be permitted to borrow up to 75 per cent of the cost of expansion for a period of up to 25 years from the Industrial Loan Board.

(b) If (a) fails to provide sufficient facilities the Provincial Government should consider building the accommodations and restaurants where necessary and then leasing them to capable operators.

34. Restaurants should be included in legislation for provincial loans.

35. The problems of lobster availability and high price have created a poor image of the province in the tourist's mind. To attempt to rectify this matter, a conference should be held between federal and provincial fisheries officials, pound operators, packers and representatives of the food service industry to discuss lobster availability and perhaps to make up a booklet explaining to the tourist the reasons for their scarcity and high price.

36. More attention should be given to tidiness and cleanliness along public rights-of-way and in towns by means of:

(a) An educational programme at all levels to convince the public of the need for improving the present conditions and to offer methods for cleaning up and maintaining highways, business and residential properties.

(b) More action and awareness on the part of local government regarding property improvement and general tidiness of the community is needed. Local organizations, such as Boards of Trade, should be encouraged to take more pride in their communities and to promote "clean-up", "paint-up" campaigns in their areas.

(c) A more vigorous enforcement of the Unsightly Premises Act.

(d) The placement of more litter containers adjacent to the main highways with identifying signs.

(e) The prominent display of more litter signs emphasizing violation penalties. Law enforcement agencies should be instructed to enforce Section 41 of the Highway Act.

(f) More care in cleaning up highways after construction and carrying out suitable landscaping. Provision should be made for this clean-up in the contracts with the construction firms.

(g) Efforts to enforce "no dumping" restrictions and cleaning up rubbish which has been dumped.

37. The Provincial Government should provide financial and technical assistance to the Women's Institute of Nova Scotia and the Nova Scotia Federation of Agriculture for their programme of rural beautification in the province, and the Department of Municipal Affairs should examine the problem of increased property assessments which is expected to occur as a result of improvements through this programme.

38. Highways should have more places where motorists can pull off the road for a short rest or to photograph the scenery (as on the Cabot Trail) and these turn-offs should be well marked. Adequate parking, rest rooms and other facilities deemed necessary should also be provided at heavily-visited major attractions.

39. To fill a need for expanded, good-quality camping sites in the province:

(a) The Parks Division of the Department of Lands and Forests should be provided with additional funds in order that it may rapidly complete its programme of establishing camping and picnicing sites.

(b) The fee for camping charged at national parks should be increased to make it comparable with that charged by the province and private operators, relative to the services provided.

(c) A programme of licensing and inspection of private camping facilities should be implemented by the province. The established requirements should be prior to their being listed in the government publication "Camp and Picnic Sites in Nova Scotia".

40. To fill a need for more recreational facilities for salt-water fishing, swimming, sailing and boating:

(a) Private enterprise should investigate the feasibility of establishing marinas under the recently announced Canada Department of Public Works policy pertaining to such facilities.

(b) The Department of Lands and Forests should be encouraged to provide a number of boat-trailer launching ramps at navigable streams and waterways, with convenient parking areas for trailers and towing vehicles. These ramps could be leased to concessionaires for sale of fuel, fishing supplies and food.

(c) Surf casting should be encouraged in the province.

(d) Salt-water fishing should be encouraged and facilities expanded. The Provincial Government should consider the provision of low-interest loans for outfitting boats.

(e) The Provincial Government should establish a programme for the acquisition of entries to beaches and for development of beach facilities, similar to its programme for camp and picnic parks, for the benefit of visitors as well as Nova Scotians. In order that this may be done as quickly as possible, which the committee feels is desirable, the province should expedite the completion of the beach survey to determine the present situation and the needs for protection, as the present protection act appears inadequate.

41. Suitable crown land should be set aside, or suitable additional land should be obtained immediately for the future development of provincial parks, hiking and canoe trails.

42. More attention should be given to the value of historic sites and architecture along public highways and within communities to preserve early Nova Scotia culture. Government and local groups must play a role. The Provincial Government should appoint a knowledgeable group to review the complete history of Nova Scotia with the object of determining what is important in the province's history, and which physical remains should be restored or preserved. This study should include an inventory of the province's unique and historic buildings, and properties:

(a) Legislation should be enacted to prevent the demolition of these buildings and other historic objects or property without the consent of such a group.

(b) This group should assist or advise on the preservation and restoration of these buildings and properties.

(c) To encourage restoration and maintenance, financial grants or tax concessions should be considered.

43. Legislation should be enacted to effect zoning control over areas of historical interest. The land in the immediate vicinity of the Port Royal National Historic Park should be placed in such a zone, for example. The Provincial Government should control development within the zone to ensure that there will be no undesirable encroachments on the historic scene which would ruin its aesthetic qualities and atmosphere.

44. The present policies affecting the development of museums in Nova Scotia are inadequate. The following steps should be taken:

(a) A survey should be made of the existing museums in Nova Scotia to include such information as present facilities, costs, number of people employed, number of visitors and special problems.

(b) Legislation should be enacted, aimed at co-ordinating museum development and ensuring sufficient standards of operation and facilities.

(c) A committee (made up of museum representatives, tourist-development representatives and historians) should be established under government auspices to implement (b). The functions of this committee should include judgements on expenditure allocations for museum development and policy for the operation of provincial museums and historic sites.

45. Local business firms should be asked by the local tourist bureaux to conduct guided tours of their operations, especially in the summer. The tourist bureaux should then make a list of all industrial tours available and a composite list could then be compiled for the whole province.

46. The tourist industry should be made more aware of the requirements for entertaining visitors.

47. The Provincial Government should make an effort to encourage guided tours of the province, particularly in September and October. Firstly, however, an immediate study of the number of established tours that do not operate in the province should be undertaken, and if it is found that this is due to the lack of suitable accommodations, special accomodations for tours should be spaced around the province if the demand worrants it, and these accommodations should be kept open five months of the year. The facilities could also be used as a training centre for trainees in food and accommodation services.

48. Restrictive legislation governing the hours of closing of retail businesses should be removed.

NOTE: The following originated at Planning Board level:

49. The Board recommends that in promoting and developing tourism in Nova Scotia, consideration should be given to attracting the wealthy visitor whose favourable impressions of the province can have far-reaching effects.

50. The Board, in approving the above recommendations, recognizes the diversified nature of the sector and that government can assist as a co-ordinator in their implementation. However, the Board directs that the industry itself must accept the major responsibility for carrying out these recommendations.

TRANSPORTATION AND COMMUNICATION

1. In the interest of furthering the development of the Nova Scotia bus industry, a study should be conducted by the Nova Scotia Board of Commissioners of Public Utilities to ascertain the rules and regulations pertaining to foreign buses in other provinces of Canada and in the United States.

2. Section 3 of the Motor Carrier Act should be repealed. All exemptions should be by regulations under the Motor Carrier Act.

3. Registration of gross weight of combination vehicles on the tractor (power unit) should be permitted with semi-trailers being issued an identification tag for a token fee.

4. New commercial vehicle owners should pay a registration fee on a quarterly pro-rated basis

5. Representation should be made by the Provincial Government to have the Canadian National Railways make available for a suitable fee, to properly licensed motor carriers, the facilities of piggyback service to all points within the Atlantic Provinces where ramps are available.

6. Trucks and buses from outside the province should contribute their fair share of fuel tax, based on their use of Nova Scotia highways.

7. Better communication between the Nova Scotia Highways Department and the public should be established regarding plans for highway construction, future policy and legislative changes when they are made. Furthermore, maximum advance notification of road weight restriction in the spring should be given through press and radio statements, along with prompt notification of changes in weight restrictions during the spring period.

8. There should be an expansion of grain handling and storage facilities in Nova Scotia to about 6 or 7 million bushels to take advantage of the cheaper transportation of grain via the St. Lawrence Seaway and thereby be able to maintain a local supply as well as to increase the export of grain through Nova Scotia ports.

9. Provincial newspapers and all news media should encourage a healthier attitude toward economic growth and strive to do their part in informing people of opportunities and changes in the province.

10.** Consideration should be given to the setting up in Nova Scotia of a technical training course for radio and television.

11. There should be co-operation between steamship lines, the Port of Halifax and other Nova Scotia ports, the national railways and highway transport firms, and representatives of labour, in bringing about increased use of containerization in cargo handling to provide a speedy and efficient movement of cargo to, from and through Nova Scotia ports.

12. The Department of Trade and Industry should encourage municipalities to take further advantage of federal assistance in the construction of small airstrips in Nova Scotia.

13.* Efforts should be made to improve co-operation between shippers and receivers and the motor carriers.

14.** Where possible, the Nova Scotia Department of Education should make every effort to provide training and retraining programmes which will give graduates of the technical schools skills that are and will be required by industry in the future. Furthermore, the Nova Scotia Department of Education should increase its staff of fact-finding people so that technical school programmes correspond to industry's needs in the province.

15.** The schools of Nova Scotia should put a greater emphasis on and insist on correct spelling by students as this is essential for those entering the field of graphic arts or secretarial work and is of value to all.

16.* The national railways should continue to give close attention to the principle of publishing rates on an incentive loading basis, and in particular they should give consideration to the publication of incentive rates on pool car business originating in Quebec and Ontario and destined to points in Nova Scotia.

17. The Nova Scotia Board of Commissioners of Public Utilities should give consideration to the improvement of the ground transportation service between the Halifax-International Airport and the Halifax-Dartmouth area.

NOTE:

* Referred back to Sector for industry self-implementation.

** Referred to Education Advisory Council.

VOLUNTARY PLANNING BOARD SPECIAL COMMITTEE ON COAL

The Planning Board devoted particular attention to the problems confronting the Nova Scotia coal industry. The segment and sector committees penetrated as deeply as possible into these problems but their efforts were somewhat hampered by the uncertainties prevailing at the time these studies were conducted.

Several developments had taken place during the interval between the completion of the sector studies and the Planning Board's consideration of the Mining Sector Report. Consequently, the Planning Board appointed a Special Committee on Coal to give further study to these developments in order that it might have the benefit of the best and most recent information available before coming to a decision on matters affecting this important segment of the Nova Scotia economy.

The long-range market outlook for coal is decidedly uncertain. For the immediate future, however, under the present Federal Government subvention policy, markets may continue to outstrip production capabilities. An abnormally low rainfall over northeastern hydro-power watersheds co-incident with an unprecedented surge in the national economy has resulted in an accelerated demand for thermal power.

Among those vitally concerned with the future of the industry, this seemingly healthy market situation has given rise to an expanding wave of optimism. Unfortunately, this optimism is not entirely justified by the facts. The market itself is highly artificial since it is almost wholly dependent on Federal Government subvention assistance payments. These payments are authorized by Orders-in-Council, are limited to a ceiling of 18 million dollars annually for all of Canada (of which Nova Scotia currently receives over 80 per cent) and are guaranteed only to April 1, 1970. Moreover, the Special Committee on Coal has been advised that increases in this ceiling are becoming less and less likely. Superimposed on these uncertainties is the growing use of nuclear fuels. These are expected to provide the energy source for all new major thermal power installations within fifteen years.

Concerning coal production, 85 to 90 per cent of Nova Scotia's annual production comes from the DOSCO mines. As a direct result of substantial losses over recent years, this firm has been unable to do sufficient maintenance and development work to enable these mines either to produce at maximum efficiencies or to increase their output.

A major infusion of new capital for rehabilitation of existing mines and the opening of a new mine at Lingan is vitally necessary if the recent trends of decreasing production and rising costs are to be either checked or reversed.

The Federal Government has very recently announced a 25 million dollar programme for this purpose over the next five years. While nothing is known concerning the detail and time scheduling of these funds, if they are released over a three-year period starting early in 1966, the full benefits of this programme will not be realized before 1971. Four years is estimated to be the time required to bring a new Lingan colliery to full production. Once this work has been completed, it has been estimated that 3.8 million tons of coal production per year can be expected from the DOSCO mines. The smaller independent mines have an additional potential of from one half to three quarters of a million tons of production per year.

Again, if this redevelopment programme takes place as assumed, it is estimated that it may be possible to increase the current productivity figure of 2.8 tons per man day to 3.8 tons per man day by 1968. The ultimate productivity target is thought to be in the region of 4.5 to 4.7 tons per man day for the DOSCO operations.

The effects of such productivity increases cannot be accurately evaluated at the present time. One line of thinking holds that it will result in cost reductions of up to three dollars per ton of coal mined. If this proves to be correct, the capital costs of redevelopment could be retired over a two to four year period and subvention costs could be substantially reduced thereafter. Another line holds that possible production cost reductions may well be offset by increased labour, transportation and other costs.

Present pit head cost of coal is estimated to be about $11.80 per ton. To compete on a thermal basis with residual fuel oils, coal must be delivered to thermal plants in Nova Scotia at a price of between $8.00 and $9.00 per ton and slightly higher for plants located in Quebec and Ontario. In any case, it is generally acknowledged that coal cannot become competitive without some degree of public assistance.

In planning for a resource-based industry of this nature, the matter of resource reserves becomes very important. In the case of Nova Scotia, it is evident that the limiting factor is not the physical volume of these reserves; rather it is their physical location (extending outward and downward beneath the sea bed), and the extent to which these reserves can be worked safely and economically by known extraction methods.

It is conservatively estimated that with rehabilitation of the existing mines, sufficient workable reserves remain to extend the life of these mines another fifteen years, for a total coal recovery over this period of roughly fifty million tons. A new Lingan operation, producing slightly more than one million tons annually would have a conservatively estimated life span of thirty years. The Acadia Coal Company Limited operations in Pictou County are estimated to have roughly five more years of life remaining.

Employment in the coal industry has dropped from 12,000 men in 1948 to roughly 6,000 men at the present time. Coal production over this same period has dropped from 6.4 million tons to slightly over 4.0 million tons. In 1964, Nova Scotia markets absorbed about 38 per cent of Nova Scotia production, the remaining Maritime provinces about 8 per cent, Quebec 35 per cent and Ontario 19 per cent. The Maritime coal market is forecast to require over 2.0 million tons by 1972 as compared with 1.9 million tons in 1964.

Several possible alternatives in future planning for this industry over the next fifteen years have been raised.

(1) The rehabilitation of the existing mines co-incident with the development of a new mine at Lingan, to produce in total four million tons of coal annually.

Estimated total cost (subvention payments, maritime freight rate assistance payments, capital assistance payments, etc.) to the federal treasury over a fifteen year period—425 million dollars.

(2) The rehabilitation of the existing mines only and limiting production from these mines to the coal needs of the Maritime Provinces.

Estimated total cost—230 million dollars.

(3) The rehabilitation of Princess Mine only and the development of a new mine at Lingan, with total production limited, as in alternative two.

Estimated total cost—220 million dollars.

By adopting either alternative two or three, a saving of roughly 200 million dollars would seem to be possible. This then raises two obvious questions:

(a) Can the funds from these savings be more beneficially utilized in stimulating the Cape Breton economy, than if they are used by adopting the first alternative?

(b) If the coal industry crisis is postponed a further fifteen years, will it then be more, or less difficult to provide employment for those dependent on this industry?

The answers to these questions, while they may appear to be obvious at first glance, are by no means so self-evident and clear cut. The provincial economy is still in the process of trying to provide productive employment for roughly 6000 men who have been displaced by coal mine closures over the past ten to fifteen years. Additional strains will be felt in absorbing those workers who will lose jobs as a result of planned mine mechanization and up-grading of productivities. If, in addition to this, production was suddenly to be halved, the impact on the Cape Breton economy would be disastrous.

There is as yet no strong, growing base of industrial activity in Cape Breton capable of absorbing a displaced labour force of this magnitude. Moreover, such a base cannot be brought into being quickly. It will take time to establish on a sound basis.

Consequently, in reaching its conclusions the Special Committee on Coal felt that the far-reaching social implications of the whole coal problem must be given precedence over the purely economic implications. The following recommendations were therefore considered to be of an interim nature only, covering the immediate planning period. They are designed primarily to reduce social distress until such time as more viable forms of employment can be made available to those whose livelihood is dependent on the coal industry.

Recommendations:

(1) Continuing subventions for coal are vitally necessary.

(2) The Federal Government should be urged to make long-term commitments regarding coal subvention policies in order that the marketing situation may be sufficiently stabilized to permit sound, long-range planning.

(3) Federal Government assistance is necessary for the immediate rehabilitation of the existing coal mines and the development of a new mine at Lingan.

(4) It is recognized that labour force reductions over time are inevitable and, therefore, planning for the retraining and orderly re-employment of this displaced labour should begin at once and receive strong emphasis.

(5) After a full review of all available information and with due regard to the strong market outlook to 1972 it was found that production targets cannot be set at this time with any degree of exactness. For this interim period, therefore, an annual production target of 4.5 to 5.00 million tons should be planned together with a further up-grading of average mine productivity to 4.5 tons per man day.

EDUCATION ADVISORY COUNCIL
INTERIM REPORT

Introduction

The Educational Advisory Council of the Voluntary Planning Board was established by Order-in-Council and first brought together at an inaugural meeting on September 24, 1965. The Council is composed of approximately twenty-five members, almost equally divided in numbers as either educators or employers. The Council is chaired by Dr. G. W. Holbrook with Prof. J. B. Ternan acting as the honorary secretary.

From the outset, it should be emphasized that this report is purely of an interim nature and has been requested, at this time, by the Voluntary Planning Board and is prepared with the specific intention of giving recommendations of a short-term nature of particular interest to the Secondary Manufacturing Sector. It is unfortunate that the expected report from the Secondary Manufacturing Sector has not yet been prepared in its final form and, consequently, the recommendations of the Educational Advisory Council cannot as yet, be based on the specific needs outlined by that Sector. Additionally, although an outline description of the "Comprehensive School System", as envisaged by the Department of Education, has been released, sufficient details of this proposal are not yet available. Thus the impact of this proposal on the general educational system, and with particular reference to secondary industry cannot yet be assessed.

However, some concern has been generated within the Council that the new "Comprehensive School System" may provide for irrevocable specialization too early in the students' high school careers. Care must be taken to ensure that the "early bloomers" are not started in a preparatory programme for university before they have proven their capability of undertaking this course of studies. Likewise, the "late starters" should not be debarred from entering a university or vocational programme at the high school level, due to unspectacular results in Grade IX. However, final judgement cannot be passed upon this proposal until further details are available and until an assessment can be made of the guidance and counselling resources which are envisaged to go hand in hand with this new programme.

The following paragraphs outline recommendations which are generally applicable to the educational problem from the point of view of

Economic Planning, together with some specific short-term recommendations with respect to the needs of secondary industry. Some immediate recommendations with respect to other sectors of the economy and the proposed plans of future study by the Education Advisory Council are also included.

A summary of the present and projected technical and vocational training institutions (puplic), together with enrollment capacities, is set forth in table D-1.

General Recommendations

1. The council is of the opinion that the overall system of education in the province should be planned to serve, among other things, the needs of the provincial economy. It should be of an open-ended nature, so that every opportunity is offered to the students, at all levels and at all ages, to achieve, either by formal full-time courses or by continuing educational methods, the highest possible levels. To this point it is recommended that increased attention be given by all educational institutions to the provision of extension courses on both a full-time and a part-time basis.

2. It is also evident that an extensive public-relations campaign must be conducted in order to make students, parents and employers aware of the opportunities which already exist and of the new facilities which will become available in the near future. In order to do this it is suggested that joint action be taken by the Department of Trade and Industry, the Department of Labour and the Department of Education, to assess the needs of existing and new industries throughout the industrial and business community. The Council, to this point, recommends the preliminary work which has already been achieved by the Inter-Departmental Research Committee. Employers should be urged to co-operate with these departments in preparing a realistic assessment of the immediate and future needs in the educational field.

3. There is a grave lack of properly trained and qualified high school counsellors who are in a position to inform high school students of the opportunities which now exist in local industry and who can guide students into appropriate and rewarding educational patterns. It is recommended that more use be made of practising professional and technical personnel in the high school guidance programme. It is also evident that much must be done in order to improve the image of many of the careers which are now becoming available in industry.

4. It may well be necessary to provide incentive, in the form of a

maintenance allowance, to young persons who are qualified to enter various vocational and technical training programmes, but who are attracted away from these programmes by the prospect of an immediate wage as an untrained worker. It is noted that a maintenance allowance is already provided by pre-apprenticeship trainees.

5. The Council notes with approval, a general plan of the Department of Education to increase the capacity of regional vocational schools for youth from 2,800 to 9,000. It is noted that in this planning the minimum population area of 40,000 has been used as a basis of location of vocational schools. It is felt that this minimum figure could be too high for the present population density in the rural areas of the province and would, obviously, result in the need for a good deal of mobility on the part of students. It is emphasized that a labour force becomes much more mobile after training, consequently, it is urged that vocational schools be established in centres of population rather than in existing centres of industry. On the other hand, some regard must be paid to the benefits which arise from removing students from their rural surroundings in order to make them aware of the opportunities which now exist in urban and metropolitan areas. It is suggested that courses of a vocational and technical nature tend to be much more intensive than those of the normal primary and secondary educational system. Consequently, transportation by bus over long distances does not lend itself to this kind of course, and, due to the lack of accommodation in some metropolitan areas, vocational and technical schools may well be faced with the problem of providing dormitory accommodation for their students.

6. While the Council acknowledges the forward step taken by certain universities in the province in making Grade XII the mandatory requirement for entering university, it is evident that a dual entrance standard will be in operation in the province for some years to come. However, it is recommended that Grade XI entrance to the two-year, post high school programme at the Technical Institutes be maintained. The Council recommends that the programme initiated by the Association of Universities and Colleges of Canada and the Canadian Educational Association to establish comparable admission standards of university entrance throughout Canada be encouraged and supported by the Voluntary Planning Board.

7. From the outset it is emphasized that there is an urgent need to establish a provincial grading system for industrial technicians and/or technologists. It is also emphasized that this grading system should be equated with others existing in Canada, to provide comparative standing

on a national basis. Such a move would undoubtedly improve the public image of technical education at the Institutes of Technology, in contra distinction to the conventional university programme. Such a system would be similar to the inter-provincial certification of tradesmen now in effect in Nova Scotia and is already being studied by the Association of Professional Engineers of Nova Scotia.

Specific Recommendations for Secondary Industry

8. Without decrying the splendid efforts of the Vocational and Technical Division of the Department of Education, it is evident that this division suffers from a lack of knowledge of the detailed needs of our existing and planned secondary industry. It is recommended that additional staff be provided so that a comprehensive study can be made of the needs of the economy in individual areas of the province. Additionally, a detailed appreciation is needed of the human resources in each area and an estimate of the potential of this population in terms of the various levels of technical and technicological skills required by industry.

9. It is noted that only two Institutes of Technology are presently planned, the existing one in Halifax and a new one in the Sydney area. It is estimated that these two institutes will be capable of producing only 200 industrial technicians a year from their two-year, post high school programme. While no detailed information is available from the Secondary Manufacturing Sector with respect to their future needs of graduates from this particular kind of course, an estimate can be made based upon the national average in Canada. It is evident that in order to achieve parity with the rest of Canada, Nova Scotia should be producing in the order of 120 graduates a year from industrial-technician programmes. It is estimated, conservatively, that by 1970 some 350 industrial technicians will be needed annually to keep abreast of the rest of Canada. This means that provision for 400 students in this type of programme is required immediately and that the figure will rise to 1200 by 1967.

10. It is also noted that in the Nova Scotia Institute of Technology in Halifax no offering in chemistry is provided. It is strongly recommended that at least one course in post high school chemistry be added to each programme in the two-year, post high school syllabus.

11. In order to implement an open-ended approach to vocational and technical training it is recommended that the Institutes of Technology and the Universities provide night school courses, on an extension basis, so that graduates of Institutes of Technology will have the opportunity of studying for and writing the examinations of Professional Associations

It is also recommended that universities be urged to offer direct university entrance with credit, to the very best graduates from the Institutes of Technology.

12. In providing night school courses, on an extension basis, the vocational schools and institutes of technology should be urged to make use of competent part-time teachers, who may be employed on a day time basis by industry. While there is a tremendous shortage of teachers in the province, every advantage must be taken of the highly skilled and trained supervisory personnel who would undoubtedly be willing to teach on a part-time basis at these night schools.

13. While it is axiomatic that all phases of industry will benefit from the research being undertaken at the universities, much of this research will, initially, be beneficial to industry only because of the atmosphere it creates in the local area. Universities should be encouraged to undertake research programmes which will have an immediate influence on the development of new industries in the province, through the provision of research contracts by industry and the Provincial Government.

Recommendations from Other Sectors

14. A specific need which has been advanced by both the mining and the petrochemical industries, is for technicians and technologists trained in the installation, calibration and maintenance of the instrumentation required in these industries. It has also been emphasized by the coal industry that the educational programme in coal mining, as established in the present syllabus, should be up-dated to take cognizance of more modern methods of coal mining. It is suggested that a programme for Mining Technicians be included in the syllabus of the proposed Institute of Technology at Sydney.

15. It is evident that there is enormous scope for vocational training in the forestry, fishing and food-processing industries. However, insufficient information is presently available for the Council to make specific recommendations on these accounts. Therefore, it is recommended that a comprehensive survey be undertaken to determine the needs of manpower training in these sectors. It is recommended that the trawler engine-room facilities in the Fishermen's Training Centre at Pictou be completed at once as it is evident that there is a grave lack of practical training on the part of engine-room operators who are now going to sea.

16. In the construction industry it is suggested that the minimum educational requirements of certain tradesmen, such as plumbers, carpenters and electricians, be reviewed. It is recommended that more credit be

given for the practical work done by trainees at vocational schools, so that earlier qualifications as journeymen can be anticipated by these candidates.

Recommendation for Future Studies

17. It is recommended that the detailed study of the educational needs of the various economic regions of the province, which has already been started by the Department of Labour, be intensified and aided by the members of the professional staff of the Voluntary Planning Board. Each sector committee of Voluntary Economic Planning should nominate an educational representative who will be a member of the Education Advisory Council.

18. Further studies required by the Council will include, among other matters:

(a) A complete assessment of the teaching resources in the field of adult or continuing education, together with an estimate of of the potential need for increased resources in this field.

(b) A survey of scientific and industrial research potential in the province.

TABLE D-1

VOCATIONAL AND TECHNICAL TRAINING INSTITUTIONS EXISTING AND PROJECTED

INSTITUTION (RESPONSIBLE BODY)	TYPE OF COURSE	ENROLMENT		
		Present	Potential	Additional Planned
Eastern Institute of Technology. (Dept. of Ed.)	Technician Pre-Apprenticeship Apprenticeship Other trades			785
Nova Scotia Institute of Technology. (Dept. of Ed.)		680	740	Nil
Nova Scotia Land Survey Institute. (Dept. of Ed.)	Cartographic Drafting Land Survey Photogrammetry	55	55	Nil
Nova Scotia Marine Engineering School. (Dept. of Ed.)	Marine Engineers	30 varies	30	Nil
Nova Scotia Navigation School. (Dept. of Ed..)	Masters and Mates	30 varies	30	Nil
Nova Scotia Agricultural College. (Dept. of Agric.)	Diploma Freshman Sophomore years Agricultural Technologist	180	200 approx.	350
Fisherman's Training Centre (Dept. of Fisheries)	Marine Engineering Navigation Fishing Technology	4	30	Nil
Adult Vocational Training Centre. (Dept. of Ed.)	Trades	300	800	Nil
Cape Breton Vocational High School. (Dept. of Ed.)	Trades	520	520	1000
Cumberland Co. Vocational High School. (Dept. of Ed.)	Trades, Commercial	340	340	200
Halifax Vocational High School. (Dept. of Ed.)	Trades, Commercial	1000	1000	500
Kings County High School (Dept. of Ed.)	Trades, Commercial	340	340	200
Pictou County High School (Dept. of Ed.)	Trades, Commercial	340	340	160
Yarmouth County Vocational High School. (Dept. of Ed.)	Trades, Commercial	260	260	340
Annapolis/Digby (Dept. of Ed.)	Trades, Commercial			440
Colchester (Dept. of Ed.)	Trades, Commercial			510
Dartmouth and Halifax E. (Dept. of Ed.)	Trades, Commercial			1000
Canso Strait (Dept. of Ed.)	Trades, Commercial			680
Hants (Dept. of Ed.)	Trades, Commercial			330
Lunenburg/Queens (Dept. of Ed.)	Trades, Commercial			600

E

THE STEEL INDUSTRY OF NOVA SCOTIA

The Dominion Steel and Coal Corporation Limited steel plant in Sydney is one of the keystones of the economy of Nova Scotia. At the present time it employes approximately 3700 workers. But, of course, it has many linkages to many sectors of the economy. These include the coal industry, the transportation equipment industry, and other types of manufacturing. Moreover, the steel industry is of great importance to the transportation sector and is the basis of very substantial employment in the service sectors. Any significant change in the steel industry has repercussions throughout the whole provincial economy.

From the beginning of its activities, the Voluntary Planning Board was cognizant of the fact that realistic economic planning in Nova Scotia would require detailed information regarding the future of the steel industry in Nova Scotia. The decision of the Quebec government to promote steel production in that Province and the announcement that steel production would be a part of the large industrial complex being constructed in the Bathurst area in Northern New Brunswick, made it clear that this was a subject that required most careful analysis and study. A more recent announcement of plans for a steel mill in Newfoundland emphasizes the importance of this matter.

Accordingly, the Voluntary Planning Board requested the Atlantic Development Board to undertake the formation of a working committee to assess the future of the Nova Scotia steel industry and, in particular, to examine the implications of steel production in Quebec and New Brunswick for the future of the industry. This working committee came into being in March, 1965, and consisted of representatives of the Atlantic Development Board, the Federal Department of Industry and Dominion Steel and Coal Corporation and Voluntary Economic Planning. The committee has been most active since its formation although a detailed report has not yet been submitted. It is important that the committee complete its study in depth and that it covers the long term future. From present information available, the Voluntary Planning Board has the following general conclusions as to the future of the steel industry in the Province over the next decade.

The Voluntary Planning Board believes that ingot production at Sydney will continue to expand through to 1970. In this period, the principal stimulus will be provided by the new rolling mill of Dosco at Contrecoeur, Quebec. About 1970 steel from the Sidbec facilities being constructed in Quebec will come onto the Canadian market. This will possibly depress markets for Nova Scotia steel, but the growth of the Canadian demand for steel should ensure that production at Sydney does not fall below the levels of recent years. In the period from 1970 to 1975 steel production at Sydney can be expected to show marginal growth year by year. The Voluntary Planning Board believes that steel production in New Brunswick would be unlikely to have any significant effect on the Nova Scotia industry in the next decade.

The conclusion of the Board is that over the next decade, volume in the steel industry will be maintained at levels appreciably above those of 1964 and 1965.

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TABLE F-1

POPULATION, NOVA SCOTIA AND CANADA

(Thousands)

	Nova Scotia	Canada	N.S. as % of Canada
1947	615	12,551	4.9
1948	625	12,823	4.9
1949	629	13,447	4.7
1950	638	13,712	4.7
1951	643	14,009	4.6
1952	653	14,459	4.5
1953	663	14,845	4.5
1954	673	15,287	4.4
1955	683	15,698	4.4
1956	695	16,081	4.3
1957	701	16,610	4.2
1958	709	17,080	4.2
1959	719	17,483	4·1
1960	727	17,870	4.1
1961	737	18,238	4.0
1962	746	18,570	4.0
1963	755	18,896	4.0
1964	760	19,235	4.0

Source: DBS census and intercensal estimates, 91-201

TABLE F-2

NUMBER AND PER CENT OF POPULATION RURAL AND URBAN, 1961

	Nova Scotia		Canada	
	Number	Per Cent	Number	Per Cent
Rural				
Farm	56,832	7.7	2,072,785	11.4
Non-farm	279,663	38.0	3,465,072	19·0
Total	336,495	45.7	5,537,857	30.4
Urban	400,512	54.3	12,700,390	69.6
Total	737,007	100.0	18,238,247	100.0

Source: Census 1961, DBS 99-512

TABLE F-3

LABOUR FORCE, NOVA SCOTIA AND CANADA, 1951 and 1961

	Nova Scotia	Canada	N.S. as % of Canada
1951			
Male	177,905	4,114,407	4.3
Female	42,680	1,162,232	3.7
Total	220,585	5,276,639	4.2
1961			
Male	178,559	4,694,294	3.8
Female	58,260	1,763,862	3.3
Total	236,819	6,458,156	3.7

Source: Census Labour Force, DBS 94-501

TABLE F-4

PARTICIPATION RATES OF AGE GROUPS IN THE LABOUR FORCE NOVA SCOTIA AND CANADA, 1951 AND 1961

Age Group	1951						1961					
	Nova Scotia			Canada			Nova Scotia			Canada		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
15-19	39.9	49.9	29.8	47.2	57.1	37.2	33.4	38.1	28.3	36.3	39.5	33.0
20-24	66.4	93.0	40.2	69.2	92.3	46.8	65.8	86.9	43.0	67.8	86.6	49.3
25-34	57.1	95.8	19.5	59.6	96.4	24.2	57.8	91.3	23.7	62.2	93.9	29.5
35-44	58.3	95.7	17.7	59.9	96.7	21.8	57.8	91.3	24.8	62.4	94.2	31.0
45-54	55.9	92.8	17.2	58.8	94.5	20.4	59.4	88.0	28.3	63.2	91.8	33.3
55-64	49.8	84.8	13.7	51.3	85.7	14.5	49.7	76.8	21.8	53.5	81.7	24.4
65+	22.3	40.0	4.9	22.1	38.6	5.1	16.2	27.0	6.3	17.2	28.4	6.7
Total	50.9	81.5	19.9	54.2	83.8	24.1	49.3	73.5	24.5	24.5	77.7	29.5

Source: Census Labour Force, 94-501

TABLE F-5
LABOUR FORCE BY INDUSTRY, NOVA SCOTIA AND CANADA, 1951 AND 1961

	1951				1961			
	Nova Scotia		Canada (1)		Nova Scotia		Canada (2)	
Industry	Number	%	Number	%	Number	%	Number	%
Primary Agriculture	23,273	10.6	822,667	15.6	12,038	5.1	640,786	9.9
Primary Forestry	5,899	2.7	129,625	2.5	4,296	1.8	108,580	1.7
Primary Fisheries	9,747	4.4	50,464	1.0	7,493	3.2	36,263	0.6
Mining	15,570	7.1	103,839	2.0	10,105	4.3	121,702	1.9
Manufacturing	36,874	16.7	1,358,776	25.7	34,081	14.4	1,404,865	21.7
Power and Utilities	2,567	1.2	61,806	1.2	2,427	1.0	70,504	1.1
Construction	16,391	7.4	350,815	6.6	15,524	6.6	431,093	6.7
Transportation, Storage and Communication	18,164	8.2	402,569	7.6	22,535	9.5	532,782	8.2
Services	88,462*	40.1	1,928,727	36.5	124,184	52.4	2,966,682	45.8
Industry Unspecified	3,638	1.6	67,351	1.3	4,136	1.7	158,593	2.4
Total	220,585	100.0	5,276,639	100.0	236,819	100.0	6,471,850	100.0

(1) Excludes Yukon and NWT
(2) Includes Yukon and NWT
*See Note following Table A-6
Source: DBS, Census, 1951 and 1961

TABLE F-6

LABOUR FORCE IN THE SERVICE SECTOR NOVA SCOTIA, 1951 AND 1961

Category	1951	1961	% Increase
Retail Trade	23,656	27,160	14.8
Wholesale Trade	8.587	9,603	11.8
Finance, Insurance and Real Estate	3.559	5.652	58.8
Community, Business and Professional Services	17.057	27,380	60.5
Personal, Domestic and Miscellaneous Services	14,909	17,573	17.9
Public Administration	7.513	9,342	24.3
Totals	75,281	96,730	28.5
Defence	15.376	27.474	78.7
Total Services and Defence	90,657	124,184	37.0

Source: Census of Canada, 1951 and 1961

NOTE: The 1951 data were changed to conform to the new Standard Industrial Classification used in the 1961 census.

TABLE F-7

LABOUR FORCE IN THE SUPPORTING SECTORS NOVA SCOTIA, 1951 AND 1961

Sector	1961	1961	% Charge
Construction	16.391	15.524	— 5.3
Transportation	15.521	16,863	+ 8.6
Storage	289	216	— 25.3
Communication	2.354	5,456	+131.8
Electricity, Gas and Water	2,567	2,427	— 5.6
Totals	37,122	40,486	+ 9.1

Source: Census of Canada, 1951 and 1961

TABLE F-8

TOTAL PERSONAL INCOME, NOVA SCOTIA AND CANADA

(Millions of Dollars)

	Nova Scotia	Canada	N. S. as % of Canada
1947	412	10,390	4.0
1948	432	11,943	3.6
1949	449	12,757	3.5
1950	466	13,414	3.5
1951	503	15,693	3.2
1952	564	17,214	3.3
1953	594	18,132	3.3
1954	607	18,421	3.3
1955	627	19,738	3.2
1956	675	21,885	3.1
1957	721	23,191	3.1
1958	757	24,675	3.1
1959	804	26,036	3.2
1960	848	27,435	3.1
1961	882	28,522	3.1
1962	934	30,956	3.0
1963	976	32,793	3.0
1964	1,035	35,019	3.0

Source: DBS, National Accounts, 13-201

TABLE F-9

PERSONAL INCOME PER CAPITA, NOVA SCOTIA AND CANADA

(Current Dollars)

	Nova Scotia	Canada	N.S. as % of Canada	Differential Canada—N.S.
1947	670	827	81.0	157
1948	691	928	74.5	237
1949	714	949	75.2	235
1950	730	978	74.6	248
1951	782	1120	69.8	338
1952	864	1191	72.5	327
1953	896	1221	73.4	325
1954	902	1205	74.9	303
1955	918	1257	73.0	339
1956	971	1361	71.3	390
1957	1029	1396	73.7	367
1958	1068	1445	73.9	377
1959	1118	1489	75.1	371
1960	1166	1535	76.0	369
1961	1197	1564	76.5	367
1962	1252	1667	75.1	415
1963	1291	1735	74.4	444
1964	1362	1821	74.8	459

Source: DBS National Accounts, 13.201

TABLE F-10

TOTAL PERSONAL INCOME INCLUDING AND EXCLUDING TRANSFER PAYMENTS NOVA SCOTIA, 1947 AND 1964

(Millions of Dollars)

	1947	1964
Including Transfer Payments	412	1,035
Excluding Transfer Payments	363	873

Source: DBS National Accounts, 13,201

TABLE F-11

TOTAL NEW CAPITAL EXPENDITURES, NOVA SCOTIA AND CANADA

(Millions of Dollars)

	Nova Scotia	Canada
1948	115	3087
1949	117	3539
1950	108	3936
1951	118	4739
1952	133	5491
1953	157	5976
1954	156	5721
1955	163	6244
1956	183	8034
1957	188	8717
1958	185	8364
1959	226	8417
1960	234	8262
1961	224	8172
1962	223	8715
1963	234	9393
1964p	267	10827

p—preliminary

Source: Private and Public Investment in Canada, Regional Estimates

TABLE F-12
TOTAL NEW CAPITAL EXPENDITURES BY SECTOR, NOVA SCOTIA

(Millions of Dollars)

Sector		1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964(p)
Primary Industries and Construction	$	14.1	16.7	21.7	19.9	22.1	19.4	19.1	20.7	24.7	21.1	21.2	19.8	23.2	21.7	28.1	23.4	36.0
	%	12.3	14.3	20.1	16.9	16.6	12.3	12.2	12.7	13.5	11.2	11.5	8.7	9.9	9.7	12.6	10.0	13.5
Manufacturing	$	12.6	8.9	7.6	12.4	16.9	13.3	9.9	22.1	25.2	17.7	12.5	15.0	27.0	40.8	19.4	32.7	37.9
	%	11.0	7.6	7.0	10.5	12.7	8.5	6.4	13.5	13.8	9.4	6.8	6.6	11.5	18.2	8.7	14.0	14.2
Utilities	$	22.7	17.4	16.9	22.8	22.8	29.9	28.4	34.9	37.9	40.7	40.8	42.8	33.1	26.3	28.9	35.7	38.3
	%	19.8	14.9	15.6	19.4	17.1	19.0	18.2	21.4	20.7	21.7	22.0	18.9	14.2	11.8	13.0	15.3	14.4
Trade, Finance and Commercial Services	$	8.0	8.5	13.9	17.7	9.3	14.4	17.5	14.0	12.3	13.3	14.1	22.3	25.0	22.7	26.0	28.8	32.4
	%	7.0	7.3	12.9	15.1	7.0	9.2	11.2	8.6	6.7	7.1	7.6	9.9	10.7	10.2	11.6	12.3	12.2
Housing	$	24.6	26.7	8.4	11.5	19.8	25.1	28.0	31.8	30.0	33.0	32.1	54.1	52.6	49.3	44.1	44.3	47.0
	%	21.5	22.9	7.8	9.8	14.9	16.0	17.9	19.5	16.4	17.6	17.3	23.9	22.5	22.0	19.8	18.9	17.6
Institutional Services and Governmental Depts.	$	32.6	38.4	39.6	33.2	42.3	54.9	53.3	39.7	52.8	62.1	64.5	72.3	72.9	62.9	76.4	69.1	75.0
	%	28.4	33.0	36.6	28.3	31.7	35.0	34.1	24.3	28.9	33.0	34.8	32.0	31.2	28.1	34.3	29.5	28.1
TOTAL	$	114.6	116.6	108.1	117.5	133.2	157.0	156.2	163.2	182.9	187.9	185.2	226.3	233.8	223.7	222.9	234.0	266.6
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

p—preliminary

Source: Department of Trade and Commerce, Private and Public Investment in Canada.

TABLE F-13

TOTAL NEW CAPITAL EXPENDITURES BY SECTOR, CANADA

(Millions of Dollars)

Sector		1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964(p)
Primary Industries and Construction	$	509	620	701	813	879	935	821	999	1306	1246	997	1128	1134	1211	1306	1478	1677
	%	16.5	17.5	17.8	17.2	16.0	15.6	14.3	16.0	16.2	14.3	11.9	13.4	13.7	14.8	15.0	15.7	15.5
Manufacturing	$	573	536	502	793	973	969	822	947	1394	1479	1095	1074	1178	1085	1269	1358	1815
	%	18.6	15.1	12.7	16.7	17.7	16.2	14.4	15.1	17.4	17.0	13.1	12.8	14.3	13.3	14.5	14.5	16.8
Utilities	$	566	689	759	939	1194	1254	1164	1136	1762	2308	2153	1848	1772	1698	1601	1771	2077
	%	18.3	19.5	19.3	19.8	21.7	21.0	20.4	18.2	21.9	26.5	25.8	22.0	21.5	20.8	18.4	18.9	19.2
Trade, Financial and Commercial Services	$	281	293	399	411	343	526	582	561	611	690	705	759	875	847	860	918	996
	%	9.1	8.3	10.1	8.7	6.2	8.8	10.2	9.0	7.6	7.9	8.4	9.0	10.6	10.4	9.9	9.8	9.2
Housing	$	635	822	923	947	971	1189	1238	1397	1547	1430	1782	1759	1456	1467	1587	1713	2028
	%	20.6	23.2	23.5	20.0	17.8	20.0	21.6	22.4	19.3	16.4	21.3	20.9	17.6	17.9	18.2	18.2	18.7
Institutional Services and Governmental Depts.	$	523	579	652	836	1131	1103	1094	1204	1414	1564	1632	1843	1847	1864	2092	2155	2234
	%	16.9	16.4	16.6	17.6	20.6	18.4	19.1	19.3	17.6	17.9	19.5	21.9	22.3	22.8	24.0	22.9	20.6
TOTAL	$	3087	3539	3936	4739	5491	5976	5721	6244	8034	8717	8364	8411	8262	8172	8715	9393	10827
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

p—preliminary

Source: Department of Trade and Commerce, Private and Public Investment in Canada.

TABLE F-14

NEW INVESTMENT PER CAPITA, NOVA SCOTIA AND CANADA

	Nova Scotia	Canada	N. S. as % of Canada
1948	$184	$241	76.3
1949	186	263	70.7
1950	169	287	58.9
1951	184	338	54.4
1952	204	380	53.7
1953	237	403	58.8
1954	232	374	62.0
1955	239	398	60.1
1956	263	499	52.7
1957	268	525	51.0
1958	261	490	53.3
1959	314	481	65.3
1960	322	462	69.7
1961	304	448	67.9
1962	299	469	63.8
1963	310	497	62.4
1964	351	563	62.3

Source: Private and Public Investment in Canada

TABLE F-15 NET VALUE OF PRODUCTION IN COMMODITY-PRODUCING INDUSTRIES, NOVA SCOTIA

(Millions of Dollars)

	Primary Agriculture	Primary Forestry (1)	Primary Fisheries (2)	Mining	Electric Power	Manufacturing	Construction	TOTAL (4)
1947	24.7	12.9	15.2	25.0	7.2	84.9	39.9	210.1
1948	26.3	12.4	19.1	42.8	7.8	95.8	44.6	249.0
1949	25.0	9.8	18.7	45.6	8.4	102.3	52.3	262.5
1950	25.2	13.5	21.4	48.5	9.5	97.8	46.4	262.5
1951	28.9	18.3	21.4	47.0	11.8	119.5	51.9	299.0
1952	27.6	16.6	22.7	49.6	12.9	130.7	58.7	319.2
1953	27.3	14.2	21.9	51.2	13.8	127.9	75.7	332.3
1954	28.0	13.6	23.0	56.8	15.0	129.8	76.4	342.7
1955	26.0	16.1	23.6	50.9	16.5	139.6	73.0	345.8
1956	28.5	16.2	25.0	50.1	17.9 (3)	159.8	85.6	383.3
1957	26.9	14.6	23.1	52.2	17.9	175.7	88.3	399.0
1958	26.4	12.7	25.0	46.8	20.2	177.0	86.8	395.0
1959	26.7	12.3	27.1	48.2	20.8	161.5	112.9	409.6
				(44.1) (5)		(154.7) (5)		(398.8) (5)
1960	27.4	15.4	26.1	45.3	23.5	171.5	117.5	426.8
1961	27.5	11.6	27.7	45.5	25.0	161.3	110.0	408.8
1962	25.7	12.1	32.1	44.4	27.2	174.6	106.7	422.9

(1) Excludes Farm woodlots which are in agriculture.

(2) Gross landed value.

(3) Prior to 56 some industrial establishments producing power for their own use were included.

(4) Also includes Trapping.

(5) The Standard Industrial Classification was revised by DBS in 1960. Consequently, some revisions to the original 1959 figures for mining and manufacturing were made which also resulted in a revision of the total figure. In these cases both the original and the revised figures are given in the table. These changes would not appear to affect the validity of the accompanying analysis of postwar trends in the industries affected. The revised figures are in brackets.

Source: DBS, Survey of Production, 1962, 61-202

TABLE F-16

COMPARISON OF NET VALUE OF PRODUCTION IN COMMODITY-PRODUCING INDUSTRIES, NOVA SCOTIA AND CANADA, 1947 AND 1962

(Millions of Dollars)

Industry	Nova Scotia				Canada			
	1947		1962		1947		1962	
	$	%	$	%	$	%	$	%
Primary Agriculture	25	11.9	26	6.1	1608	20.1	2443	11.4
Primary Forestry	13	6.2	12	2.8	439	5.5	702	3.3
Primary Fisheries*	15	7.1	32	7.6	58	0.7	128	0.6
Mining	25	11.9	44	10.4	403	5.0	1748	8.1
Electric Power	7	3.3	27	6.4	232	2.9	876	4.1
Manufacturing	85	40.5	175	41.4	4292	53.6	11741	54.8
Construction	40	19.1	107	25.3	963	12.0	3788	17.7
Trapping					17	0.2	10	
Total	210	100.0	423	100.0	8011	100.0	21436	100.0

*Gross landed value

Source: DBS, Survey of Production, 61-202

TABLE F-17

INDEX OF EMPLOYMENT AND VALUE ADDED SECONDARY MANUFACTURING, NOVA SCOTIA

	Employment (1)		Value Added (2)	
	Number	Index (1947 = 100)	$,000	Index (1947 = 100)
1947	19,770	100	56,458	100
1948	19,811	100	63,661	113
1949	19,134	97	67,995	120
1950	18,590	94	64,996	115
1951	19,918	101	79,423	141
1952	21,784	110	86,887	154
1953	20,915	106	85,027	151
1954	19,329	98	86,264	153
1955	19,726	100	92,823	164
1956	20,196	102	106,233	188
1957	20,553	104	116,777	207
1958	18,928	96	110,563	196
1959	18,441	93	113,782	202
1960	18,763	95	126,115	223
1961	18,096	92	117,087	207
1962	18,886	96	126,943	225
1963	19,832	100	134,335	238
1964	20,793	105	153,148	271

(1) Includes working owners and partners.

(2) Total activity in current dollar values.

Source: Estimates supplied by Voluntary Economic Planning.

TABLE F-18
EXPORTS AS PERCENTAGE OF OUTPUT, NOVA SCOTIA

	Fish and Fisheries Products	Mineral Products		Iron and Steel Products	Forest Products		All Commodities
		Metallic	Non-metallic		Sawmills	All wood and Paper Products	
1947	34.9				81.6	73.7	43.8
1948	33.8		74.3	12.9	32.3	57.4	43.0
1949	36.7		70.0	18.6	44.1	59.6	32.4
1950	46.5		65.9	12.0	25.3	43.9	27.5
1951	44.4		58.6	3.5	23.7	52.9	26.9
1952	46.6	23.0	54.5	2.1	25.2	56.6	21.7
1953	45.8	36.7	102.8	4.1	18.8	44.1	24.8
1954	42.8	40.9	67.1	7.0	31.6	56.1	21.0
1955	44.0	31.1	70.3	2.6	30.7	52.2	21.8
1956	45.4	42.2	98.7	22.9	25.4	49.8	28.4
1957	55.3		76.1	15.0	23.9	48.2	25.4
1958	49.9		88.0	18.4	17.0	47.8	24.2
1959	54.2		112.1	20.6	13.4	43.0	23.4
1960	54.1		77.3	4.2	17.0	41.4	20.6
1961	47.6		70.9	33.2	36.2	61.1	22.6
1962	39.2	77.0	64.6		36.0	60.1	20.6
1963		77.6	66.1				

Source: John F. Earl, A Study of Nova Scotia Exports, a report prepared for Voluntary Economic Planning, July, 1965.

TABLE F-19

PERCENTAGE DISTRIBUTION OF EXPORTS TO MARKET AREAS, NOVA SCOTIA

	United States	Great Britain	British West Indies	Other Commonwealth	Latin America	European Economic Community	European Free Trade Area	Other Countries
1947	16.6	31.5	18.9	9.8	7.7	10.5	1.5	3.5
1948	24.0	28.1	15.2	6.6	10.2	7.1	2.5	6.3
1949	29.5	19.0	12.8	20.0	13.6	1.1	1.0	3.0
1950	35.8	7.8	9.5	5.2	35.7	1.1	1.2	3.7
1951	40.3	13.9	10.7	4.2	22.2	2.7	0.9	5.0
1952	36.4	14.1	12.1	6.7	21.2	3.9	1.0	4.7
1953	43.5	17.2	12.7	1.6	17.4	3.2	1.5	2.9
1954	39.9	16.3	12.4	1.9	19.9	5.3	0.3	4.0
1955	31.9	19.8	10.3	2.5	23.8	7.1	0.5	4.1
1956	37.7	15.6	12.7	1.3	23.2	5.8	0.5	3.3
1657	38.8	11.9	13.5	4.4	23.6	3.9	0.9	3.1
1958	42.6	9.0	12.4	15.4	14.4	3.5	1.0	1.7
1959	55.3	7.6	13.5	3.5	15.7	1.5	0.9	2.1
1960	42.1	21.4	8.5	0.8	21.5	2.2	0.2	3.4
1961	42.5	15.6	11.0	2.9	19.7	4.4	1.5	2.4
1962	38.6	15.3	10.3	4.6	21.5	6.2	0.8	2.7
1963	37.9	16.4	10.8	7.4	17.2	5.1	1.6	3.5

Source: John F. Earl, A Study of Nova Scotia Exports, a report prepared for Voluntary Economic Planning, 1965.

TABLE F-20

COMPOSITION OF NOVA SCOTIA EXPORTS, SELECTED YEARS

(Thousands of Dollars)

	1948		1952		1957		1961		1962		1963	
	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total
Live Animals	25		17		114	0.1	75	0.1	84	0.1	66	0.1
Meat and Meat Preparations	12,258	15.2	1,166	1.5	821	0.8	1,067	1.1	764	0.7	792	0.6
Fish and Fishery Products	12,209	15.1	19,793	25.0	25,334	26.2	26,010	26.8	26,381	22.9	29,232	22.2
Dairy Products	4,952	6.1	2,314	2.9	717	0.8	950	1.0	1,353	1.2	2,326	1.8
Cereal and Cereal Products	2,057	2.6	995	1.3	1,240	1.3	702	0.7	1,143	1.0	1,165	0.9
Fruits, Vegetables and Products	2,741	3.4	2,478	3.1	4,246	4.4	4,476	4.6	6,501	5.6	7,637	5.8
Hides, Skins and Furs	2,754	3.4	1,286	1.6	1,898	2.0	1,262	1.3	2,041	1.8	1,720	1.3
Nursery Stock and Mosses	25		53	0.1	237	0.2	452	0.5	327	0.3	413	0.3
Crude Wood Materials	1,608	2.0	5,620	7.1	2,804	2.9	3,016	3.1	4,758	4.1	3,756	2.9
Textile Making Products	170	0.2	66	0.1	218	0.2	63	0.1	76	0.1	2,270	1.7
Metallic-Minerals and Scrap	165	0.2	695	0.9	1,298	1.3	633	0.7	1,580	1.4	1,194	0.9
Non-Metallic Minerals	4,506	5.6	4,897	6.2	8,455	8.7	7,309	7.5	8,107	7.0	9,380	7.1
Fabricated Wood Products	5,355	6.6	5,092	6.4	4,211	4.4	4,152	4.3	4,647	4.0	4,625	3.5
Pulp and Paper	16,860	20.9	25,497	32.2	22,290	23.0	26,374	27.2	30,732	26.6	29,651	22.5
Iron and Steel Products	6,533	8.1	1,752	2.2	14,181	14.7	13,980	14.4	20,416	17.7	29,079	22.1
Building Materials	128	0.2	141	0.2	28		89	0.1	189	0.2	142	0.1
Industrial Machinery and Equipment	2,615	3.2	833	1.1	878	0.9	1,340	1.4	1,055	0.9	2,137	1.5
Ships and Boats	866	1.1	1,901	2.4	367	0.4	967	1.0	957	0.8	338	0.3
Aircraft Assemblies and Parts	386	0.5	115	0.1	137	0.1	233	0.2	314	0.3	180	0.1
Electrical, Heating and Other Miscellaneous Equipment	257	0.3	144	0.2	334	0.3	148	0.2	390	0.3	260	0.2
Furniture and Fixtures	476	0.6	298	0.4	256	0.3	132	0.1	157	0.1	222	0.2
Clothing and Footwear	1,418	1.8	122	0.1	215	0.2	331	0.3	342	0.3	413	0.3
Other Fabricated Products	2,228	2.8	3,813	4.9	6,404	6.6	3,225	3.3	3,050	2.6	4,688	3.6
Total Exports	80,592	100.0	79,088	100.0	96,713	100.0	96,986	100.0	115,364	100.0	131,586	100.0

Source: John F. Earl, A Study of Nova Scotia Exports, a report prepared for Voluntary Economic Planning, 1965.

G

STATISTICAL INFORMATION DEFICIENCIES

Broad and accurate statistical information is a basic and integral part of any economic planning exercise in establishing economic trends and targets, in the detailed analysis of the aggregate economy and its parts and in forecasting the behaviour of specific economic variables together with their impact on the economy.

The Dominion Bureau of Statistics is the federal agency charged with the responsibility of collecting and providing economic data series in Canada. In performing its functions, the Bureau rightly assigns highest priority to achieving broad coverage and accuracy in national series and secondary priority to provincial series.

As a result, many important series are either not available at the provincial level or are of limited value due to the small size of the sample on which they are based. In certain series, because of Bureau legislative requirements, data for Nova Scotia are lumped with other provinces thus negating their value in provincial analyses.

Undoubtedly the greatest problem to the user of the Dominion Bureau of Statistics' data series is the time lag in publication. In a period characterized by rapidly changing economic conditions, a time delay in publication of from three to four years is a significant hindrance. This is particularly relevant in an economic planning programme where policy decisions are to a degree based on historical development and where up-to-date data are necessary to reduce errors in forecasting.

Because of the limitations of the statistical data available, the Voluntary Economic Planning staff has not been able to present the detailed analysis of the provincial economy originally envisioned. It is believed that there will be a substantial time lag before a more exhaustive analysis becomes feasible.

In moving towards this goal it has been encouraging to observe that the Dominion Bureau of Statistics is aware of these problems and is taking steps, as budget and staff allow, to overcome them. However, it is felt that an agency of the provincial government acting independently or, more realistically, jointly with the Dominion Bureau of Statistics, must begin collecting statistics to obtain the necessary data for more sophisticated economic analyses.

In conjunction with improving data collection for Nova Scotia, it is stressed that private business firms, in all sectors of the economy, help to do their part by co-operating fully when officially asked for statistical information concerning their businesses.

H

GLOSSARY OF TERMS

ADVANCE FACTORY

A standardized factory pre-constructed as an inducement to attract new industry before a specific tenant is secured.

CAPITAL STOCK

The total amount of capital available in the economy for the production of goods and services at any given time.

CONSTANT DOLLARS

A dollar value where price changes, occurring over time, have been removed, relative to a specific base year.

CORNERSTONE INDUSTRY

One which produces products on a large scale and by its very nature attracts other plants to locate near it to provide it with manufactured inputs and/or to utilize its products for further manufacturing.

CURRENT DOLLARS

Dollar values based on the prevailing prices.

ECONOMETRICS

The mathematical analysis and interpretation of economic data.

GROSS NATIONAL PRODUCT

Total market value of all final goods and services produced by the nation's economy.

GROSS PROVINCIAL PRODUCT

See Gross National Product and transform to provincial basis.

INDUSTRIAL AGGLOMERATION

Clustering of industries within the same area.

Appendix H

INDUSTRIAL DEVELOPMENT CENTRES

A centre of sufficient size to support and service a diversified industrial base capable of generating self-sustained economic growth over time.

INDUSTRIAL PARKS

A suitable tract of serviced land which is set aside and readily available for the location of a variety of industrial enterprises.

INFRASTRUCTURE

Comprises those basic services necessary for productive activities, such as transportation, utilities, education and other public services.

INPUTS

The materials, supplies and services, that is the factors of production, used in an economic activity for the production of a good or the provision of a service.

LABOUR FORCE

The labour force is comprised of that portion of the non-institutional population 15 years of age and over who are employed or unemployed.

Employed—Includes all persons who: (a) work for pay or profit, or (b) do any work which contributes to the running of a farm or business operated by a related member of the household.

Unemployed—Includes those members of the labour force who are without work, but who are seeking work.

LABOUR FORCE PARTICIPATION RATES

Is the proportion of the total population 15 years of age and over who are members of the labour force, expressed as a percentage.

NET VALUE OF PRODUCTION

Net value of production equals the total market value of production minus the cost of purchased materials, fuel and electricity. Net value thus equals the amount available for payment of wages, salaries and profits, interest, rent, taxes, repairs and other costs.

OUTPUT MIX

Types of goods and services produced in an economy.

RESOURCES CENTRES

An area or location where firms, dependent on the same raw material, concentrate to their mutual advantage, sharing certain common facilities and services.

SATELLITE INDUSTRIAL COMMUNITIES

Centres of industrial economic activities in proximity to industrial development centres.

SERVICE CENTRES

A concentration of service-type industries and organizations, capable of supplying a broad range of essential social and industrial services to surrounding regions.

SOCIAL CAPITAL

Same as infrastructure.

STRUCTURAL CHANGE

Relative shifts in the component parts of the economy relating to population, labour force and employment, production and trade, the institutional system, etc.

TARGETS

A set of directional key indicators aiming to influence the future course of the economy.

TRANSFER PAYMENTS

Money dispersed by business or government in return for which no services are rendered.

VALUE ADDED

See Net Value of Production.

VOLUNTARY ECONOMIC PLANNING
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ERRATA

Preface	Page 11 - 3rd Para. "Economical" - change to "Economic"
Chapter I	Page 20 - #3, mid page - "ecomomic" - change to "economic"
Chapter II	Page 25, Footnote 2 - Appendix "A", change to Appendix "F"
	Page 35 - 2nd Para. Line 5 - "perpetrating" - change to "perpetuatin
	Page 39 - 8th line from bottom - "prdoucts" - change to "products"
Chapter III	Page 52, 6th line from bottom - "actviity", change to "activity"
	Page 65 - Last para. line 2 - "cencentration", change to "concentration"
	Page 70 - 7th line - "accomilsh", change to "accomplish
	Page 72 - 14th line - "ind", change to "and"
	11th line from bottom - "accellerate", change to "accelerate"
	Page 74 - 8th line from bottom - "Scoita", change to "Scotia"
	Page 75 - 9th line from bottom -"repeadedly", change to "repeatedly"
Appendix A	Chart A-2, Executive Committee Box, "Chairamn", change to "Chairman"
	Communication line connecting "Chairman (voluntary)" with "Sector Chairman -10" should show an arrow head at both ends.
F	Page 3, Table F-4 - Last figure in Column - 1961, Canada, Total, 24.5 change to 53.7
	Page 4 - *Footnote, change Table "A-6" to "F-6"
	Page 5 - Table F-7, change "1961" heading on first column to "1951"
	Last column heading - "% charge" change to "% change".
	Page 7 - Table F-9 - Source Note should read "13-201"